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Quiz!

- 1** What additional coverage is included in the recently revised Standard Automobile Liability Policy?
- 2** Under the revised policy, how was coverage for the use of other private passenger cars broadened?
- 3** Was the age exclusion eliminated?



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THURSDAY, NOVEMBER 6, 1941

Let us be Thankful

We in America today are truly thankful that ours is a land of plenty! As we once more celebrate a national holiday in the traditional manner, we become increasingly conscious of privileges that have come to mean "The American Way of Life." ¶ The course of events in other nations has stirred us into realization of responsibilities as well as privileges! Each of us has a job to do in maintaining our benefits—and each of us must pay for them in honest toil of mind and body. ¶ Insurance agents have been quick to contribute their efforts by advocating adequate protection for American homes and industries. Their job of safeguarding the country against unforeseen catastrophes is closely woven into the fabric of national security. ¶ Crum & Forster companies are offering agents every possible cooperation in this enormous task!



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EDWIN B. ACKERMAN, *President*

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Inland Marine "All Risk" policies are far superior to the piece-meal protection afforded under a variety of single-peril contracts. Not only are they all-embracing in protection and economical in cost; but also they offer *real* protection. And, being flexible, they can be shaped to fit any insured's needs.

Defense Program requirements have demanded unusual Inland Marine protection, which has been quickly devised and provided. If you have any Defense or other problems, you are cordially invited to consult our Inland Marine Department which will gladly place at your disposal knowledge, experience, facilities and that specialized help which will enable you best to care for your clients' needs.



**THE COMMONWEALTH
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New York - Philadelphia - Boston - Detroit - Chicago - San Francisco

The NATIONAL UNDERWRITER

Forty-fifth Year—No. 45

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, NOVEMBER 6, 1941

\$4.00 Year, 20 Cents a Copy

Mortgagees, Finance Companies at Odds on Return Premiums

Both Feel They Have First Claim—Pink to Name Committee

NEW YORK—Substantial progress toward solution of the complex problem of protecting mortgagees' interests where premiums are financed was made at a conference conducted by the New York department and attended by representatives of the premium finance companies, producers, companies, and the savings banks of the New York metropolitan area. Superintendent Pink will appoint a committee of those interested to work out a solution.

So far there has been no actual conflict of interest between the banks and the finance companies, as in all cases of cancelled policies the fire companies have paid return premiums to the finance companies to extent of the insured's debt and still continued the mortgagee's protection. However, foreseeing that the companies would not continue this practice indefinitely, both the banks and the finance companies would like to know where they stand.

Not Opposed to Financing

The savings banks are by no means opposed to the financing of premiums but because of their interest as mortgagees they feel that they have a right to know whether a premium is being financed. There is no likelihood of complications in the event of a loss but in case a policy is cancelled for nonpayment of premiums or for any other reason the banks hold that under section 254 of the New York real property law, since the policy is assigned to the bank as further collateral security the bank is entitled to any return premium so that it may maintain the insurance for its protection.

All interests represented at the conference, which was conducted by Deputy J. D. Whelehan, agreed that the banks are entitled to know that a premium is being financed. The difficulty arises in finding a method under which the banks will be assured of getting this information. The home office would know of the existence of a mortgage interest but might not know that the premium was being financed. The finance company would have no reason to know of the existence of a mortgagee's interest. The producer would know of both the mortgagee interest and the financed premium but there would be cases—probably the ones which the bank would be most interested in knowing about—where it would be against the producer's interest to let the bank know that the premium had been financed.

This is not the type of case where the insured is so much interested in the saving that can be effected by taking a three or five year term policy through a

Better License Law Arizona Agents' Aim

Would Strengthen Qualification Act—E. H. Bringhurst Named President

NEW OFFICERS ELECTED

President — E. H. Bringhurst, Phoenix.
Vice-president — Everett J. Jones, Douglas.
Secretary-treasurer — William Stone, Phoenix.
National Councillor — Harold G. Wilson, Tucson.

TUCSON, ARIZ.—The problem of strengthening the qualification law governing the licensing of insurance agents in this state was the major item of discussion at the annual convention here of the Arizona Association of Insurance Agents. The consideration of possible legislation to achieve more strict licensing requirements will be prominent on the program of the new administration headed by Ed H. Bringhurst of Phoenix.

By amendment to the by-laws of the association passed at the business session, the new administration will take office on Jan. 1, 1942, instead of immediately after the convention as heretofore.

Harold G. Wilson, Tucson, is retiring president; W. C. Miller, Phoenix, vice-president, and R. N. Martin, Jr., Tucson, secretary-treasurer.

President Wilson's Report

Mr. Wilson said there has been much criticism regarding the quality of the examination given by the state to license applicants, and some agents still feel the examination is not comprehensive enough. It contains 50 questions on the Arizona code and 10 on 11 types of fire and casualty coverages. This is 60 questions, many of which are divided into several parts. Hence the scope of the examination can hardly justify criticism, Mr. Wilson believes.

However, the association has asked the corporation commission to place the examination with an educational institution, but so far has been unable to secure approval of the plan.

The ridiculous ease with which agents are appointed is one of the weaknesses of the business, Mr. Wilson said. Violation of the rebating law by appointment of agents who insure chiefly their own property should be eliminated. If the companies and agents themselves do not correct the situation, someone in Washington is liable to do so. He urged a united appeal to the companies for co-operation in getting the corporation

(CONTINUED ON LAST PAGE)

finance company but where the insured is so pinched that he cannot comfortably take care of even a single year's premium and resorts to financing. This information might be of material concern to the bank in its relations with the borrower since if it were not for the premium's being financed without the bank's knowledge the lending institution might be unaware of the borrower's financial shakiness.

N. H. Agents Hold Annual Parley

Clark Is New Head; Commissioner Approves Medical Payments

NEW OFFICERS ELECTED

President—Robert M. Clark, Keene.
Vice-presidents—K. R. Kendall, Rochester; C. J. McKee, Concord, and Von McPherson, Claremont.
Executive Committee—R. S. Perkins, Manchester, Chairman; G. U. Horne, Meredith; Norman Jacobs, Berlin; F. D. Gardner, Portsmouth; H. H. Davis, Nashua; A. W. Frost, Franklin, and Herbert Lovejoy, Conway.
National Councillor—G. E. Clark, Lisbon.

By RALPH E. RICHMAN

MANCHESTER, N. H.—The New Hampshire Association of Insurance Agents is sponsoring, for a period of 12 weeks, radio broadcasts over leading New Hampshire stations describing the purposes, aims and achievements of the New Hampshire Defense Council, President Robert S. Perkins announced at the annual convention of the association here.

Governor Blood is chairman of the defense council and was the principal speaker at the association's banquet where he outlined briefly the opportunities of service in defense activities. The New Hampshire association is cooperating with the defense council as a step in its expanding program of greater responsibility in public service.

Robert M. Clark, new president of the association, is manager and owner of the



R. M. Clark

G. H. Aldrich & Sons Agency at Keene. He has been in the insurance business since 1924 and has long been active in the affairs of the state association. For the past three years he has been a director. Mr. Clark entered insurance after other business experience and early recognized the desirability of careful study. He keeps himself well informed on the technical phases of insurance from every source available.

The address by Roy A. Duffus, secretary of the James Johnson Agency in Rochester, N. Y., and a member of the educational committee of the National association, and the announcement by Commissioner Rouillard that he is approving use of the medical payments provision in automobile liability policies were the high points of the gathering.

Includes Named Insured

Commissioner Rouillard said that New Hampshire agents could also include the named insured when writing the medical payments protection, but that there would be no approval of including the covenant not to sue.

Mr. Rouillard told of his department's

(CONTINUED ON PAGE 14)

Record Attendance Marks Mass. Agents Annual Convention

Woodcome Named President; Keen Interest in Buyer's Talk

NEW OFFICERS ELECTED

President—Paul J. Woodcome, Fitchburg.
Vice-president—Morris H. Thompson, Athol.
Treasurer—Carroll K. Steele, Gloucester.
Secretary—Arthur H. Clarke, Boston.
National Councillor—Edwin J. Cole, Fall River.
Executive Committee Chairman—F. R. A. McGlynn, Worcester.

By RALPH E. RICHMAN

SPRINGFIELD, MASS.—A record attendance of about 410 marked the annual convention of the Massachusetts Association of Insurance Agents here.

The activities of the organization are at

an all-time high. Before it during the coming year is by far the most ambitious educational program it has ever undertaken plus the necessity of fighting in the state election next year the initiative petition for a workmen's compensation state fund. National defense, insurance education and vigorous promotion of better public relations were the chief subjects at the convention as they are the principal parts of the association program.

Paul J. Woodcome of the H. A. Hatch & Son agency, Fitchburg, new president of the association, has been in the insurance business 33 years. He has been very active in the promotion of fire and accident prevention both in his home city and throughout the state as chairman of the fire prevention committee of the organization. For eight years he has been on the executive board. He is a member of the Fitchburg Rotary Club, and a director of the Fitchburg Chamber of Commerce. He has served for several years as president of the Fitchburg-Leominster Board of Underwriters.

Regional vice-presidents elected by the association are Harold G. Barnes, Pittsfield; Charles W. Turner, Lynn; Harold E. Crippen, North Adams; Sydney H. Cushing, Framingham; John J. Dunn, New Bedford; Frank R. Knox, Holyoke; George E. Moulton, Newburyport; Harvey R. Preston, Springfield; Warren S. Shaw, Brockton; Fred R.

Regional Vice-Presidents

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Fire Safety Vital to Future Aviation

Quackenboss Outlines Necessary Precautions for Civil Airports

Fire safety at airports is essential to the future of aviation in the country, particularly in the civil field, F. B. Quackenboss, manager of the engineering department of Rollins-Burdick-Hunter, Chicago, told participants in the fall airport conference of the Illinois Institute of Technology in Chicago. The greater the danger of the destruction of their investments, he said, the fewer there will be who will care to risk their capital in aviation. The problem is infinitely more complex than the preparation of fire safety rules, construction standards and protection requirements. Putting into practice these measures is costly and many airports have not the financial means to do so.



F. B. Quackenboss

The first consideration is hangar construction, Mr. Quackenboss declared. The ideal hangar, together with its lean-to repair shop, etc., should be of fire resistive construction. In this connection, frame construction naturally should be avoided, although hangars having plank roofs can be made reasonably safe where sprinklers and adequate water supplies are provided. A paramount consideration is that miscellaneous and auxiliary occupancies and operations be adequately separated or cut off from the hangar proper by means of masonry fire walls, openings in which should be protected by automatic fire doors. Such of the auxiliary occupancies as contain heat producing and heat utilizing devices should preferably have no direct communication with the hangar and where this is found absolutely indispensable, vestibules, halls or passage-ways should be employed, so designed as to reduce to a minimum the possibility of vapor drift toward or into the room or area in question.

Occupancy Hazards Plentiful

Occupancy hazards arise where any known sources of ignition are permitted within hangars or other rooms where flammable liquids are stored or used. Specifically, he said, to weld in a hangar is to invite disaster; to maintain a stove or a furnace or other open flame heat-producing devices is dangerous; unguarded extension or portable electric lights, particularly if used in or around fabric covered planes, are hazardous.

The refueling of planes should be done entirely in the open, preferably from fixed stations or service pits, Mr. Quackenboss declared. However, since it is a common practice to refuel planes from gasoline driven tank trucks, it is well to consider the hazards involved and means which should be taken to control these hazards. The motor driven truck in addition to its drag chain must be grounded by a portable ground wire as well as the airplane. A ground wire permanently attached to the hose nozzle of the tank truck must be grounded to the plane. Copper rods or other effective grounding mediums should be driven well into the ground adjacent to the refueling areas. In this way the danger of static spark ignition from the actual filling operation is minimized. Approved nozzles and other tank filling equipment should be used throughout the operations.

Whenever economic considerations warrant or wherever the continuity of an airport's operation is essential to the community or to the common carrier or

(CONTINUED ON LAST PAGE)

Cowles Reelected at Conn. Agents' Annual Session

By GEORGE E. WOHLGEMUTH

NEW HAVEN, CONN. — E. S. Cowles, Jr., Hartford, was reelected president of the Connecticut Association of Insurance Agents at its annual meeting here. P. H. Taylor, New Haven, secretary-treasurer, was advanced to vice-president, and W. H. Wiley, Hartford, chairman of the membership committee, was elected secretary-treasurer. Honorary vice-presidents continued are H. L. Bailey, Jr., Groton, and L. F. Whelan, Greenwich. T. A. Sturgess, New Haven, was reelected national councillor.

Regional vice-presidents are W. W. Hatfield, Bridgeport; J. K. Pratt, Waterbury; L. W. Whitney, Winsted; A. M. Wilson, Putnam; D. W. Lanquett, Willingford; Charles Dayton, Greenwich; T. S. McGinley, New London; and R. H. Rice, Middletown.

In his opening remarks, President Cowles reported the largest membership in the history of the association. During the year a new agent's qualification law was passed, which, although not quite all that could be desired, is expected to effect a substantial improvement in the type of agents licensed. A financial responsibility act which was sponsored by the association was never brought out of committee because of the pressure at the closing session of the legislature.

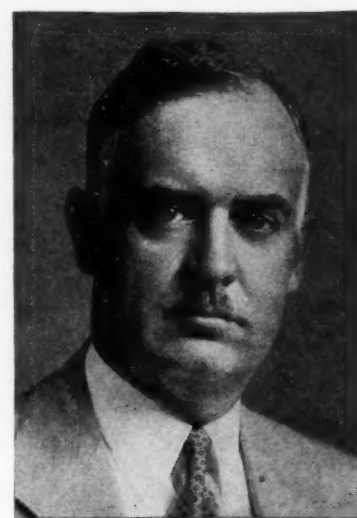
The educational committee, Mr. Cowles said, has been studying a refresher course similar to that used by a number of the associations. The Hartford College of Insurance has amplified its curricula by shorter courses and the University of Connecticut School of Business Administration is also offering insurance courses.

Although the personal property floater may not be written in Connecticut at the present time Mr. Cowles said that the executive committee of the association approved the policy in Connecticut and he was asking for action by the membership in order to secure its approval by Commissioner Blackall.

D. A. North, vice-president of the state and National associations, took a bow. The other morning speaker was Jerome Van Wiseman, director of public relations and publications of the National association, who outlined the "V-Plan for Insurance." P. H. Taylor gave his report as secretary-treasurer.

The luncheon speaker was Commissioner Blackall. T. A. Fleming, director

Sullivan Is Head of New Missouri Buyers' Council



W. A. SULLIVAN

The Insurance Buyers' Council of the Associated Industries of Missouri has been formed to act as a state-wide organization for the insurance buyers' conferences Associated Industries sponsor in several of the larger cities. One of the objectives of the council will be to present the buyers' viewpoint on various issues to the insurance companies and their regulatory bureaus.

W. A. Sullivan, insurance director of Loose-Wiles Biscuit Company, Kansas City, is chairman of the executive committee of the council. Mr. Sullivan long has been active in buyers' groups, including the American Management Association, and has been one of the moving spirits in the formation of the buyers' conferences in Missouri. He has made several talks at agency meetings and presented one of the outstanding addresses at the recent convention of the National Association of Insurance Agents at Kansas City.

Six buyers' conferences are represented in the new council, including those at Kansas City, St. Louis, St. Joseph and Joplin.

of conservation, national board, spoke Wednesday afternoon. A panel discussion was held with L. J. Ackerman, dean of the school of business and professor of insurance, University of Connecticut, called "Insurance Information, Please."

English Official on the War Situation

World Secretary London Assurance Speaks to Maryland Agents

British insurance managers are contributing frequently and substantially to "the fund of expert knowledge required in the conduct of today's all-out economic warfare," G. G. Beamish, world secretary of the London Assurance, told the Maryland Association of Insurance Agents at Cumberland, Md.

Mr. Beamish, who has been studying conditions in the United States and Canada for the past year, was in London when the first serious air raids began and has been in frequent communication with insurance men abroad.

Work Is Intensified

Pointing out that the present war had intensified the administrative work of the insurance industry in Great Britain, he outlined the development and scope of several plans which have been devised to provide war risk insurance of commodities and the compensation of owners of property damaged by aerial bombardment. The war risk on land is considered uninsurable commercially and is underwritten by the government, Mr. Beamish reported, but the claims are handled by insurance men.

Fire losses in Great Britain were particularly high last year, he declared, due in part to conditions imposed by nightly blackouts. Sales of life insurance fell off sharply and war-time restrictions on the use of automobiles were similarly reflected in the premium figures for certain classes of casualty business, he said.

Destruction of property as a result of air raids has had no more than an "insignificant effect" on the asset position of insurance companies in Britain, according to all evidence available for the country as a whole, Mr. Beamish declared. He said that insurance companies in England customarily hold a certain proportion of their life insurance department funds in real estate and mortgage loans.

Commenting on the rapidity with which important changes occur during war time, he pointed out that the pace of world affairs today served to highlight the continuity and solidity of the insurance business itself, which has maintained its position and most of its operations without disastrous losses or impairment of strength the past two years.

N. A. I. A. Officials at New York Headquarters

President R. W. Forshay and Vice-president David A. North have just completed a week of intensive discussions and conferences with General Counsel W. H. Bennett and members of the headquarters staff of the National Association of Insurance Agents in New York. Plunging right into executive duties following his recent election, Mr. Forshay has been devoting particular attention to the selection of the new executive committee. In addition, considerable study has been given to appointments of standing and special committees.

Rating Bureau Conference

The annual conference of managers of rating bureaus in Western Underwriters Association territory took place this week at White Sulphur Springs, W. Va. R. D. Hobbs, manager of the Western Actuarial Bureau, was in charge. In addition to the state managers, R. A. Parker, manager of the Chicago Board, and T. F. Baker of the Arkansas Fire Prevention Bureau were in attendance.

THIS WEEK IN INSURANCE

Massachusetts Association of Insurance Agents elects Paul J. Woodcome president. Page 3

Financed premiums center of controversy between mortgagees and premium finance companies. Page 3

E. H. Bringham elected president of Arizona Association of Insurance Agents at annual meeting in Tucson. Page 3

The New Hampshire Association of Insurance Agents holds lively session at Manchester. Page 3

Connecticut Association of Insurance Agents held its annual meeting this week at New Haven. Page 4

Illinois Association of Insurance Agents is holding its annual meeting at Peoria this week. Page 6

New Citizens Home Fire of Newberry, S. C., is now licensed and operating. Page 13

National Board will not elect a secretary to succeed the late Sumner Ballard until the annual meeting in May. Page 8

Casualty companies given time to evolve plan to avert N. Y. rebates on interstate risks. Page 21

Importance of risk selection in accident and health business stressed by C. N. Green, vice-president Hoosier Casualty, before Ohio sales congress. Page 21

Mutual company groups hold annual convention in Los Angeles. Page 5

Importance of fire safety at airports to aviation pointed out by F. B. Quackenboss. Page 4

More details given on the important use and occupancy changes in the east. Page 5

Necessary readjustments in view of national defense outlined by H. R. Gordon, executive secretary Health & Accident Underwriters Conference, before Ohio Association of Accident & Health Underwriters. Page 19

Ohio Association of Accident & Health Underwriters holds annual meeting in Cincinnati. Page 19

Two airliners that crashed in past week both covered by aviation group. Page 19

National Bureau of Casualty & Surety Underwriters explains why it is necessary to cooperate with the American Mutual Alliance in the preparation of automobile rates and policy forms. Page 20

Tom C. Howay has now taken charge of the Pacific Coast department of the Connecticut Indemnity with headquarters at San Francisco. Page 24

Restrictions on power plant U. & O. became effective Nov. 3. Page 22

Janet G. Sheehan, who operates her own agency in Manchester, N. H., has been elected president of the New Hampshire League of Insurance Women. Page 34

U. & O. Revisions Cut Number of Forms, Simplify Handling

Snow Tells Reasons for Changes; Fluctuating Weekly Forms Dropped

It has been announced that the District of Columbia has adopted the same use and occupancy rule and form changes which were made effective in New England last week. The revision in the District of Columbia is retroactive to Sept. 11.

A review of the new rules and forms indicates that the number of forms in the jurisdictions which have adopted the changes has been reduced to five. Form A is the contribution or coinsurance form for manufacturing plants, Form B the weekly manufacturing form, Form D, contribution form for mercantile and non-manufacturing risks, Form E, weekly mercantile and non-manufacturing form, and Form G, the contribution "gross earnings" form for mercantile and non-manufacturing risks.

Mandatory Endorsements

The fluctuating weekly form has been abolished. The intent of the new rules is that all risks with fluctuating or seasonal earnings shall be written under the contribution form. The tuition fees form is still permitted for schools and colleges.

Nine mandatory endorsements are published with the new forms. They are used to extend the period of liability, extend the limit of liability for additional shut down because of replacement of raw stock and for stock in process, apply the agreed amount clause and incorporate special conditions for coal mining risks.

The term "use and occupancy" has been dropped and "business interruption" insurance becomes the official title. This change has been advocated by many leaders of the business for years and was foreshadowed when the expression was applied to the "gross earnings" form.

COMMENTS OF EXPERT

Chester A. Snow, secretary Phoenix of Hartford, who was a member of the Eastern Underwriters Association subcommittee on this subject and who is recognized as one of the outstanding authorities on business interruption insurance, comments as follows on the new rules and forms:

(CONTINUED ON PAGE 31)

Federal Tax Battle Looms Up in Offing

The preliminary skirmishes that have already occurred in the matter of federal taxation of insurance companies indicates quite clearly that when the supplementary revenue bill is introduced, perhaps in about two weeks, there will be a great battle between the stock fire and casualty and mutual fire and casualty interests over the mode of such taxation. The mutuals apparently have come to the conclusion that some form of federal taxation is inescapable and they are advocating a federal premium tax. The stock companies, on the other hand, appear to favor amending the federal income tax provisions, in the first place to put the taxation of stock and mutual companies on the same basis and perhaps even to eliminate certain deductions that presently exist for stock companies. Currently the stock fire and casualty companies make substantial income tax payments whereas the mutual fire and casualty companies because of the deductions that are permitted to them, make practically no payments.

The mutual companies desire to avoid paying income tax because they claim they do not produce an income, in the proprietary sense. Moreover, there is probably the feeling that if the income tax laws were changed, it might be more difficult to get them back to the old basis after the emergency is over, whereas a federal premium tax might stand out more clearly as a pure emergency measure and could be knocked out at a later date.

It may be that two separate bills will be introduced.

Just where the life companies will come out is difficult to foresee. They will certainly resist to the utmost any attempt to impose a premium tax on old business as well as upon new issues. Whereas the fire and casualty companies can adjust their rates to take care of a tax increase, the non-participating life companies could not jack up the rates on business already in force for that purpose and the burden would be very severe.

Glens Falls Makes Generous Employee Move

Glens Falls, in recognition of the current increased cost of living, has announced a temporary wage adjustment effective Dec. 1 whereby all female and unmarried male employees will receive a 10 percent wage adjustment, not to exceed \$10 per month, and all married male employees will receive a temporary wage adjustment of \$15 per month. In order to make the adjustment retroactive to July 1, a lump sum payment will be made Nov. 10 with special provisions covering persons that went with Glens Falls between July 1 and Nov. 1. The plan applies to all regular salaried employees except officers.

Mutual Company Groups Hold Convention in Los Angeles

LOS ANGELES—The annual conventions of the National Association of Mutual Insurance Companies and the Federation of Mutual Fire Insurance Companies, were held here this week along with the mutual insurance advertising-sales conference.

A reinsurance breakfast and a meeting of the board of directors of the National association initiated the convention, followed by three sectional meetings. At the first session of the automotive and casualty group, R. C. Mead, actuary State Farm Mutual Automobile, Bloomington, Ill., discussed the issue of lowering the age limit for automobile liability, saying he doubted the advisability of such lowering. The present age limit aids parents who object to the younger members of the family driving the car, he said. The automobile business is now operating on a narrow margin and nothing should be done to bring about increased losses to the companies.

Other Sectional Meetings

The city and town group was addressed by W. E. Swigart, Huntingdon, Pa., on "How We Get the Business." The windstorm group also held a session Monday.

At the general session Monday evening, the reports of various officers were presented and committees appointed.

Breakfast meetings of past presidents and state association officials opened Tuesday's session. All three of the national organizations held a joint session at which J. H. R. Timanus of the federation presided. J. J. Beall, Seattle, and H. A. Kern, Van Wert, O., spoke.

Ralph N. McCord's address at the advertising-sales luncheon was the highlight Tuesday. Assistant Commissioner Fay of the California department also spoke.

A. V. Gruhn's Talk

The general session Tuesday morning was featured by the address of A. V. Gruhn, American Mutual Alliance, Chicago, on "The Contribution of Mutual Insurance to the Economic Progress and Stability of America."

At the city and town group meeting Tuesday H. B. Gibbel, Lititz, Pa., made a report for the catastrophe committee and the new American Mutual Reinsurance Co. Talks were given by L. M. Waugaman, McMinnville, Ore., on "Sound Underwriting Practices," and H. J. Hjermstadt of Red Wing, Minn., on "Office Problems and Routine."

At the afternoon session of the farm group W. L. Shattuck, Idaho Falls, Idaho, talked on "Modernization of the Farm Mutual," and H. J. Ferguson, McPherson, Kan., on "Mutual Insurance in Peace and War." Loss prevention was discussed.

The advertising sales conference held an all day lecture session featured by talks of Mr. Timanus, Mr. Gruhn; Gordon Davis, Chicago, and W. C. Sampson, Wausau, Wis.

There are today about 2,500 mutual insurance companies in the United States writing all types of insurance except life, Fred C. Cromer said in his report as president of the National association. Their insurance in force totals more than \$52,000,000,000. Mutual fire companies wrote premiums of \$176,000,000 in 1940 against \$163,000,000 in 1939. Casualty companies had premiums of \$243,000,000 in 1940 against \$223,000,000 in 1939. All 1940 totals were the highest in the history of mutual insurance.

Stresses Policyholder's Interest

Those companies, stock or mutual, which have gone out of business, excluding the mergers, probably would reveal that their failure was due to the fact they allowed some other interest to become paramount to that of the policyholder, J. H. R. Timanus, secretary of the Philadelphia Contributionship, said. He reviewed the rise of the factory mutuals, based on the principle that prevention is as fundamental as indemnification; the farm mutuals, and the special risk companies in the hardware, flour milling, grain elevator and lumber fields.

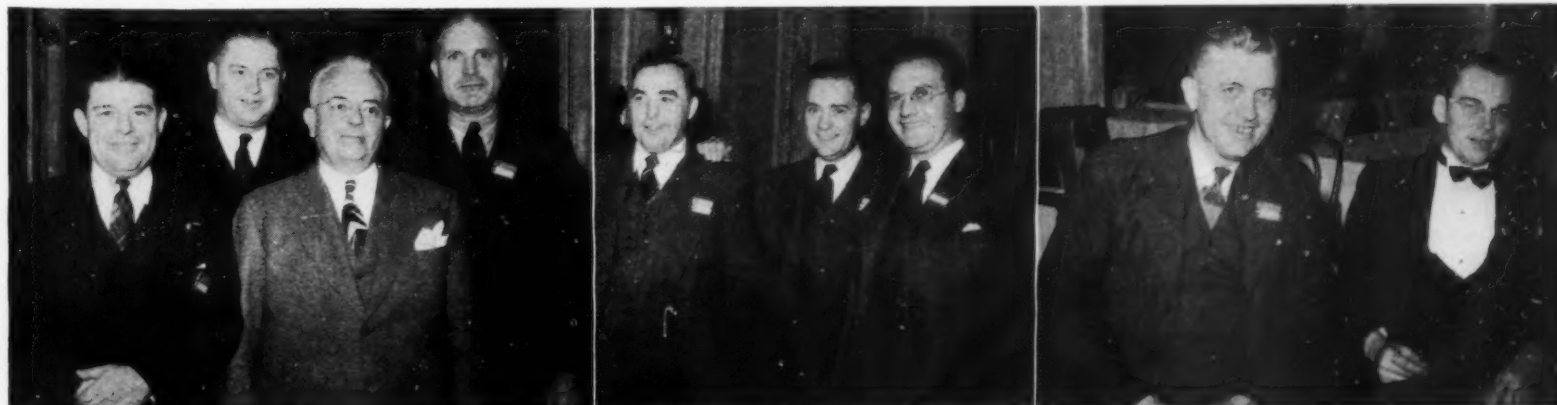
Creation of a "safety fund" does not mean that the typical farm mutual is no longer an assessment company, V. N. Valgren, principal agricultural economist of the Farm Credit Administration said. However, advance assessments in safety funds tends to make loss payments more prompt and certain, stabilizes the annual assessment rates, and improves confidence in the organization on the part of mortgagees who require insurance as a part of their collateral. It helps hold existing members and attracts new members.

Safety Funds Increase

The present trend among farm mutual or fire carriers is definitely away from post-loss assessments, and the aggregate amount of safety funds in these mutuals has been increasing in recent years at the rate of about \$2,000,000 annually until it now amounts to more than \$40,000,000.

Mr. Valgren suggested that if the company has less than \$1,000,000 of insurance in force, the amount of the safety fund should be two to four times the maximum individual risk or net retention; if insurance in force is \$1,000,000 to \$5,000,000, 2½ to three times the normal annual expenditures; \$5,000,000 to \$10,000,000, about two times the normal annual expenditures, and over \$10,000,000, one to one and one-half times annual expenditures. Most farm fire mutuals

(CONTINUED ON PAGE 39)



At annual meeting of Indiana Association of Insurance Agents in Indianapolis: Harry E. McClain, executive secretary; Simpson Stoner, Greencastle, board chairman; Fred. C. Richardt, Evansville, president; Linn S. Kidd, Brazil, second vice-president;

Glenn May, Spencer; Marshall Beal, Indianapolis; Wayne Seitz, Lawrenceburg; and William Topie and Hobbs Miller of Seymour. The convention drew a record attendance.

National and N. C. Mutual Agents in Annual Rallies

PINEHURST, N. C. — Bryson F. Thompson of New Haven, Conn., was elected president of the National Association of Mutual Insurance Agents at the annual convention here. The association elected the following as vice-presidents: Joseph E. Magnus, Chicago; T. F. McManus, Buffalo; W. H. Howatt, Springfield, Mass.; J. G. McGee, Jackson, Miss., and Lloyd Hughcraft, Greensboro, N. C. H. H. Murray, Jr., Raleigh, N. C., was named secretary; H. A. Lethbridge, Baltimore, treasurer, and P. L. Baldwin, Washington, executive secretary.

N. C. Association Elects

Officers of the North Carolina Association of Mutual Insurance Agents who were elected at the meeting are: J. M. Zachary, Charlotte, president; Murray White, High Point, and C. H. Litaker, Charlotte, vice-presidents; C. C. Fox, Statesville, secretary-treasurer; W. A. Strowd, North Wilkesboro, and George F. Jones, Charlotte, directors.

The national association received invitations to hold its 1942 convention in New York City and Atlantic City, but selection of the convention city was left for a later decision.

The association endorsed a proposal by Dr. S. S. Huebner of the University of Pennsylvania to create the American College of Property & Casualty Underwriters, and made him an honorary member of the association for his contributions to insurance education.

C. M. Westbrook, Charlotte, N. C., is retiring president of the national association.

The tendency of buyers to take high liability limits has produced the field for excess insurance, Joseph P. Gibson, Jr., Excess Underwriters, said. The trend of large risks toward self insurance also has created opportunities for excess cover. While from the agent's point of view self-insurance is not to be encouraged, when a risk does self-insure the agent may still retain his connection with the assured by selling excess insurance.

Outlining in detail the various factors essential in the efficient and successful conduct of an agency, E. C. Frampton, agency supervisor Lumbermen's Mutual, Mansfield, O., pointed out that the basic element in any success is work. He suggested a survey of the entire agency organization, the setting up of definite objectives and the weeding out of processes that require too much time or do not get results.

Complete Setup of Mutual Reinsurer

Organization of American Mutual Reinsurance has been completed. It will offer U. S. mutual fire companies conflagration and catastrophe reinsurance facilities. Headquarters will be in Chicago, and Ambrose B. Kelly, formerly with American Mutual Alliance, is secretary and general manager.

A. D. Dowrie, Jr., will head the underwriting department, while Mr. Kelly will be the executive in charge of operations. Mr. Dowrie has been for six years technician with Powers, Perrin, Crosby & Forster, Philadelphia brokerage firm that places a substantial amount of mutual reinsurance with London Lloyds. Mr. Dowrie is the son of A. D. Dowrie, Sr., of Hall & Henshaw, one of the oldest correspondents of Lloyds in this country.

Policyholders, which are mutual fire companies with money invested in the company's guarantee fund of \$1,060,000, have elected the following officers: President, O. E. Ringquist, agency vice-president United Mutual Fire, Boston; vice-president, L. G. Purmort, president Central Manufacturers Mutual, Van

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Nov. 3, 1941.

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.50*	126	132
Aetna Fire	10	1.80*	55	57
Aetna Life	10	1.40*	27 1/2	29
Amer. Alliance ..	10	1.20*	22	23 1/2
Amer. Equitable ..	5	1.00	20 1/2	22
Amer. Home	10	...	6 1/2	7 1/2
Amer. (N. J.) ...	2.50	.60*	13 1/2	14 1/2
Amer. Surety ...	25	2.50	51 1/2	53 1/2
Automobile	10	1.40*	38	40
Balt. Amer.	2.50	1.40*	7	7 3/4
Boston	100	21.00*	650	670
Camden Fire	5	1.00	20 1/2	21
Carolina	10	1.40*	30	32
Contl. Cas.	5	1.50*	32 1/2	34
Contl. N. Y.	2.50	2.20*	44	46
Fidelity-Phen. ...	2.50	2.20*	43 1/2	45 1/2
Fire Assn.	10	2.50*	72	74
Firemen's (N.J.)	5	.40	10	11
Franklin Fire ...	5	1.40*	28 1/2	30
Gen. Reinsur. ...	5	2.00	43 1/2	45
Georgia Home ...	10	1.20*	26	28
Glens Falls	5	1.60	43	45
Globe & Repub. ..	5	.50	10 1/2	11 1/2
Gt. Amer. Fire ..	5	1.20*	26	28 1/2
Gt. Amer. Ind. ...	1	.20	10	12
Halifax	10	1.00**	12 1/2	13 1/2
Hanover Fire ...	10	1.20	26	27 1/2
Hartford Fire ...	10	2.50*	87	90
Home Fire Sec. ...	10	...	1 1/4	1 1/2
Home (N. Y.) ...	5	1.60*	30	32
Ins. Co. of N. A. 10	3.00*	79	81	
Maryland Cas. ...	1	...	3 1/4	4
Mass. Bonding ...	12.50	3.50	60	63
Mer. (N.Y.) Com. 5	2.00*	52	54	
Natl. Cas.	10	1.00	29	31
Natl. Fire	10	2.00	62 1/2	64 1/2
Natl. Liberty ...	2	.40	7 1/2	8
Natl. Un. Fire ...	20	5.00*	160	165
New Amst. Cas. 2	.87 1/2	19 1/2	21	
New Hampshire 10	1.80*	46	48	
Northern (N.Y.) 12.50	5.00*	101	104	
North River	2.50	1.00	25	26 1/2
Ohio Cas.	5	1.40*	44	46
Phoenix, Conn. 10	3.00*	88	91	
Preferred Accl. ..	5	1.00	15 1/2	16 1/2
Prov. Wash.	10	1.40*	36	38
St. Paul F. & M. 62.50	8.00†	260	270	
Security, Conn. 10	1.40	39 1/2	41 1/2	
Sprgfd. F. & M. 25	4.75*	120	124	
Standard Accl. ...	10	2.50	51 1/2	53
Travelers	100	16.00	385	405
U. S. Fire	4	2.00	52	54
U. S. F. & G. ...	2	1.00	25	26

*Includes extras.

**Canadian funds.

†Paid \$2 special dividend total \$10 this year.

Wert, O.; treasurer, John A. Arnold, vice-president National Retailers Mutual, Chicago, and secretary, Mr. Kelly.

The first three also were chosen directors. Other directors are: M. B. Dalton, president Boston Manufacturers Mutual Fire; J. J. Fitzgerald, president Grain Dealers National Mutual Fire, Indianapolis; H. T. Freeman, president Manufacturers Mutual Fire, Providence; K. E. Greene, secretary Berkshire Mutual Fire, Pittsfield, Mass.; B. R. Jones, president Town Mutual Dwelling, Des Moines; C. F. Keating, president Lumbermen's Mutual, Mansfield, O.; G. A. McKinney, executive vice-president Millers Mutual Fire, Alton, Ill.; L. A. Mingenbach, president Hardware Dealers Mutual Fire, Stevens Point, Wis.; C. A. Moses, vice-president Union Mutual Fire, Providence; H. E. Stone, president Lumber Mutual Fire, Boston, and D. A. Tripp, assistant secretary Illinois Mutual Fire, Belvidere, Ill.

The company began operations Oct. 27.

Montana Injunction Affecting the Pearl Is Now Dissolved

HELENA, MONT.—District Judge Padbury dissolved temporary injunctions restraining Commissioner Holmes from ordering the Pearl Assurance and two subsidiaries to show cause why their Montana licenses should not be revoked. He upheld Attorney-general Bonner's motion to quash the companies' petitions for writs of prohibition. The court had issued temporary injunctions when the applications were filed. The attorney-general said the effect of the decision was to permit the commissioner to order the companies again to show cause why their licenses should

Veteran Westerner Long Prominent in Service



WELLINGTON R. TOWNLEY

W. R. Townley, well known in fire insurance circles in the middle west for many years, died at his home in Chicago, Nov. 4 after a prolonged illness. Services will be held at 2 p. m. Thursday of this week at St. Paul's Episcopal Church. He is survived by his wife and two sons, Enid and Francis Reid Townley. Mr. Townley will be remembered largely as a supervising field man of the Western and British America in a number of central western states.

He was born at Timcoe, Ont., March 8, 1861. He studied in a law office and then for four years was an accountant in the office of a general store at Toronto. He became connected with the Chicago local agency of Hammond & Fry in 1881 and served until 1888.

(CONTINUED ON PAGE 31)

Hail Fund Meeting in Regina

Representatives of state and provincial hail insurance funds will confer in Regina this month on hail rates. F. A. Henning, Calgary, general manager Alberta Hail Insurance Board, said the conference may increase rates for 1942. The additional risks—resulting from use of combines in harvest—also will be discussed.

Combines have brought about a spread in harvest dates, sometimes involving several weeks, which extends the protection period of hail cover.

Hail fund representatives from North Dakota, Colorado, Montana, Saskatchewan and Alberta will attend and will consider all state and municipal plans in operation in the United States.

Pearl Shifts Nelson to Seattle

Pearl Assurance has appointed Marvin Nelson, formerly general inspector and engineer in the Pacific department office at San Francisco, as northwest district manager at Seattle, succeeding Martin Loewing, who resigned recently to join Carter, MacDonald & Co., Seattle brokerage firm.

Mr. Nelson is a graduate of the Polytechnic College of Engineering at Oakland, where he received a B.S. degree in aeronautical engineering. He joined Pearl several years ago after gaining considerable experience in aviation engineering with an aircraft manufacturing concern in southern California.

not be cancelled. Mr. Holmes first cited the companies last June.

Commissioner Holmes announced the companies would be ordered to appear Nov. 17.

The show cause orders originally were issued against the Pearl, Eureka Security and Monarch Fire, after the house of representatives of the 1941 legislative session asked such action.

Illinois Convention Draws Large Crowd

Agents at Peoria to Hear Imposing Array of Varied Speakers

By JAMES C. O'CONNOR

PEORIA—With a record breaking crowd in prospect, to judge from the scarcity of hotel accommodations, the Illinois Association of Insurance Agents is opening its convention this morning. Sessions will continue through today and Friday morning, with the banquet tonight at the Pere Marquette hotel.

The only scheduled address on the opening session is that of R. W. Carter, Chicago, assistant manager Aetna Fire, on farm business, the balance of the morning being devoted to opening ceremonies, greetings and organization. A breakfast conference of regional vice-presidents and local board officers, with Executive Vice-president E. F. Engelhard, Chicago, in the chair, preceded the formal convocation.

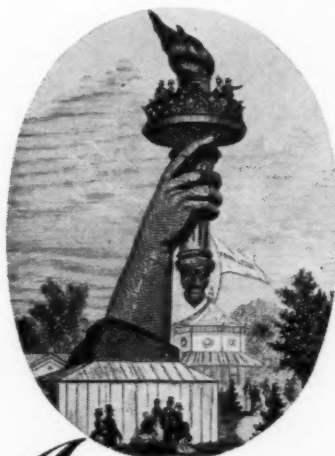
Following the luncheon address of L. J. Fletcher, Peoria, training and public relations director Caterpillar Tractor Company, the heavy guns will be loosed at the afternoon session. President Lyle H. Gift, Peoria, will make his report and L. W. Garlicks, St. Joseph, Mo., of the executive committee of the National Association of Insurance Agents, C. H. Smith, Chicago, manager Hartford Fire, E. W. Sawyer, New York, attorney National Bureau of Casualty & Surety Underwriters, and W. Owen Wilson, Richmond, Va., past president National association, will provide a powerful battery. There is much interest in Mr. Wilson's talk, because it will mark his first public appearance outside his home state since he went out of National association office. He has remained a powerful, although quiet, influence in that body and his views will be listened to with respect.

Jones, McGovern at Banquet

Insurance Director Paul F. Jones, of Illinois, and Dr. W. M. McGovern of Northwestern University, will share the spotlight at the banquet tonight. Friday morning W. E. Jennings, Jr., Rockford, chairman of the board, will preside at a breakfast conference at which H. S. Moser, prominent Chicago attorney, will speak on automobile insurance. The Friday morning convention session will feature National Councillor A. S. Keys, Springfield, Randolph Brown, New York, agency superintendent American Surety, A. B. Millard, Grand Rapids, Mich., chairman of the National association's accident prevention committee, and Norman Collins of the U. S. Treasury department's Chicago defense saving staff. Election of officers will close the convention Friday noon.

At present writing, there is no certain indication of who will be the new president. Mr. Engelhard has informed the Illinois association that he cannot assume that responsibility this year, although it is hoped that he can do so some time in the future. Probably the new leader will be drafted from the ranks of the regional vice-presidents, as happened with Mr. Gift two years ago. The members would undoubtedly be very happy if Mr. Gift, who has had two splendid administrations, would continue indefinitely, but it is generally agreed that two terms is all the sacrifice which can be reasonably asked of anyone.

So far, the Illinois association has had bad luck with the office of executive vice-president, which was expected to be the prelude to the presidency when it was established in 1938. Each of the three occupants, H. H. Monier, Champaign, D. F. Giberson, Alton, and Mr. Engelhard, has had to decline the presidency for weighty personal reasons.



← The right forearm of the Statue of Liberty arrived first in this country in 1876 for display in the Centennial Exposition at Philadelphia.

It was then removed → to Madison Square Park on Fifth Avenue in New York (extreme right in picture). It remained there until 1884 while funds were raised for the base of the Statue.



↓ The arm was returned to France for completion of the entire Statue which subsequently arrived at Bedloe's Island and was erected late in 1884. The raising of this symbol of liberty was considered quite an engineering feat in its day. Keeping its flame burning brightly to warm and encourage all lovers of freedom is the quiet determination of 130 million people.

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VIEWED FROM NEW YORK

By GEORGE A. WATSON

EXCESS MANAGEMENT MOVES

To facilitate the handling of its business and provide for its continued expansion, the Excess Management Corporation and the Reinsurance Group, its underwriting manager, have moved from 116 John street to the North America building, 99 John street, New York City, occupying the entire 25th floor. Members of the Excess Association are Aetna Fire, American, Camden, Continental, Fidelity-Phenix, Fire Association, Glens Falls, Hanover, Home, National Union and Springfield F. & M.

NATIONAL BOARD SECRETARYSHIP

As the constitution of the National Board provides that its officers be elected at the annual meeting, the post of secretary, held by the late Sumner Ballard for 20 years, will not be filled until the meeting in May, 1942. It may be that an acting secretary will be appointed meantime, though this is held unlikely, as the office of secretary is largely an honorary one. In earlier years the function of the secretary at the annual gatherings was limited to calling the roll and reading such communications as had been received from company chiefs unable to be on hand.

The roll call, regarded as a mere waste of time, was discontinued nearly five years ago. All minutes of the executive committee and of the various standing committees are recorded by General Manager W. E. Mallalien.

The only officer of the National Board, aside from Mr. Ballard, who died while so serving was D. W. Stevens, president of Agricultural, who was vice-president at the time of his death in 1922.

At the meeting of the executive committee of the National Board a memorial for Mr. Ballard, prepared by a special committee of which James Wyper, vice-president of the Hartford Fire, was chairman, with W. H. Koop, president Great American; F. W. Koeckert, United States manager Commercial Union; Paul B. Sommers, president American, and Frank D. Layton, president National of Hartford, as associates, was adopted.

R. W. BUGLI HONORED

Ralph W. Bugli, who retired last Thursday as advertising manager of the London Assurance and Manhattan Fire & Marine, after four years' efficient service, to join the public relations staff of the National Board, was honor guest of the management and divisional heads of the companies. After a series of high compliments upon his work had been paid him, he was presented a portable radio set and a fine bowling ball, as tangible evidence of good will.

SUMNER BALLARD'S WILL

Much interest was taken in the will of Sumner Ballard, the reinsurance executive who recently died. There was no hint as to the value of the estate. It probably will be offered for probate within the next two weeks following its filing with the surrogate court. H. J. Wyatt, vice-president of Crum & Forster, is designated as sole executor. Mr. Ballard gives Pauline Ballard \$85,000 and the remainder of the estate is apportioned to his sisters, nieces and a nephew. Business employees are remembered as are his personal employees at his home.

PINK TO SPEAK AT LUNCHEON

Superintendent Pink, of New York, is scheduled to address the annual luncheon of the New York Board of Trade insurance section Nov. 26 in Hotel Pennsylvania. Other speakers will be Lieutenant-Governor Poletti and C. E. Mealey, commissioner of motor vehicles. All will discuss the motor vehicle safety responsibility law which becomes effective Jan. 1. These men will be responsible for the law's administration. Floyd N. Dull is chairman of the luncheon

committee. The insurance section was prominent among organizations which were responsible for placing the statute on the books.

AMERICA FORE OLD GUARD

"Old Guard" at the New York head office of the America Fore held its annual dinner Thursday evening. President B. M. Culver and Executive Vice-president F. A. Christensen attended and spoke. There were 165 members present. Vice-president C. L. Newmiller was toastmaster. The "Old Guard" membership throughout the country totals 400. To be eligible one must have completed 25 years service. The dean is W. W. Andrews, who joined in 1867.

CHICAGO

33RD DIVISION REUNION

A large number of insurance men who are members of the 33rd division, will be attending the reunion at the Palmer House in Chicago, Nov. 11. Governor Green of Illinois will be host to officers and men of the division on that occasion.

CHICAGO FIRES IN OCTOBER

The Fire Insurance Patrol's report on Chicago fires shows that the October total decreased 7.85 percent as compared with the similar month last year. October is the third month this year which shows a decrease in number of calls. There was a 36.37 percent decrease in January and 4.25 percent in September. The largest loss in October was the building at 1063 North Branch street.

ELLIS WILL ADDRESS EXAMINERS

Will S. Ellis, assistant manager of the Chicago branch of the Royal-Liverpool group, will address the Association of Fire Insurance Examiners of Chicago at a dinner Nov. 27. Mr. Ellis will discuss "Use and Occupancy Under Present Economic Conditions."

The affair has been designated "Managers' Night," and the examiners will bring managers, assistant managers and other executives from their offices.

SAUTER MAKES APPEAL

Fred J. Sauter, Cook county manager Aetna Fire and chairman of the insurance unit of Chicago's community fund campaign, has issued a call for further effort to make the unit's quota of \$86,000. Mr. Sauter said that while Chicago has many more employed than a year ago, those to whom the fund goes, by reason of age or infirmity cannot share in the present defense boom.

New Ill. Brokers Head Is Experienced Producer

Joseph H. Norton, who was elected president of the Insurance Brokers Association of Illinois by the board of directors last week, entered insurance in 1929 as a field assistant in the casualty department of Travelers at Indianapolis. Later he was transferred to Chicago in the same position, and was with that company for almost five years before entering business for himself. He has been a Chicago broker for the past seven years.



J. H. Norton

In 1936, the firm name became Cahill & Norton. The firm operates largely

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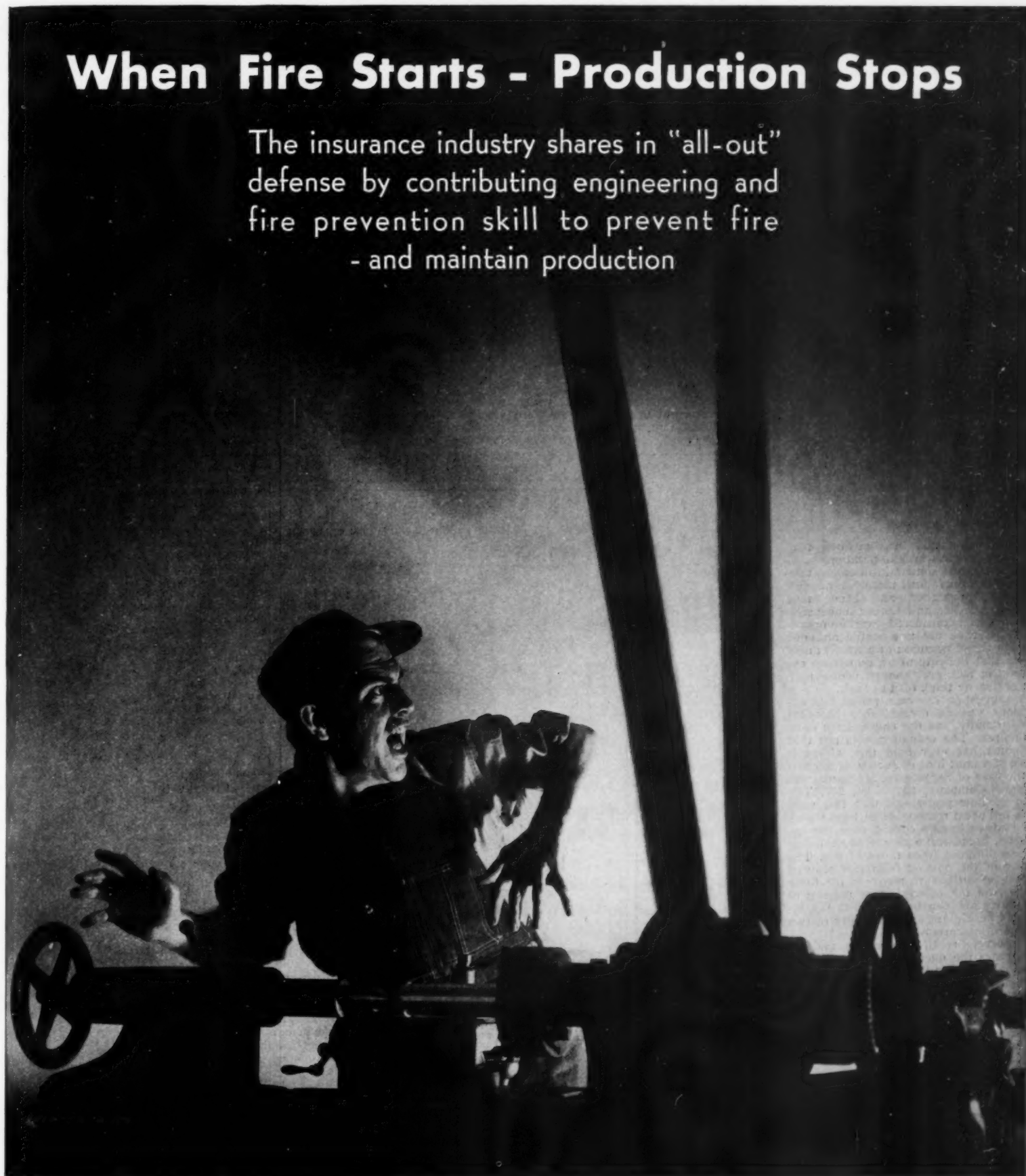
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The insurance industry shares in "all-out" defense by contributing engineering and fire prevention skill to prevent fire - and maintain production



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NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

CHICAGO

SAN FRANCISCO

NEW YORK

ATLANTA

MONTREAL

through the Moore, Case, Lyman & Hubbard agency. Mr. Norton has been active in the brokers' association for three or four years, and served as second vice-president last year.

Believe Extended Coverage Includes Army Practice

NEW YORK—In answer to a number of questions from the field, the legal department of one of the leading fire insurance companies has expressed the opinion that damage from practice gun fire of the army or navy is covered by the extended coverage endorsement and the simple explosion policy. This is one of the many interesting hypothetical questions which have been making the rounds lately. The opinion agrees with that of a number of other experts in different parts of the country.

There seems to be little argument about this point under the simple explosion policy, which excludes only acts of "foreign enemies," but the extended coverage endorsement and the riot and civil commotion policy have a much longer war risk exclusion clause, excluding among other things "other warlike operations (whether war be declared or not)," and ending with the exception "that the foregoing is not intended to exclude loss caused by explosion unless such explosion occurs during and in connection with operations of military or naval armed forces in the country where the described property is situated."

No "Friendly Explosion"

The opinion takes the position that the term "other warlike operations" implies operations similar in intent to acts of war, not operations merely similar in outward appearance, and hence that practice gun fire and similar maneuvers would not be considered "warlike operations," if they are not hostile and not done in the prosecution of a war. It also states that the firing of a gun is an explosion in fact, even though people may not ordinarily think of it as such.

A suggestion has been raised that explosions can be divided into "hostile" and "friendly," as the courts have done with fires. The opinion points out that no court has ever held this, although there is a faint hint of such a distinction in the case of Sargent vs. Mechanics Insurance Company, 247 N.W. 267. The opinion, however, states that this view does not seem reasonable, at least where the assured has no control over the explosion, because the effects of explosion are so different from those of fire. The writer of the opinion feels that assured would be entitled to recovery for these claims, on the principle that policies of insurance are construed against the insurer where there is a possibility of two or more interpretations.

Observers recall that within the last two years the question of "friendly explosion" arose on the Pacific Coast when a number of windows were broken by vibrations set up by artillery practice. No official statement was ever made, but it is believed, however, that all the companies eventually paid these losses to assured who were covered by the extended coverage endorsement.

Extra Employes Pay in Canada on Statutory Basis

In view of the fact that U. S. companies are paying extra sums to employes to meet the increased cost of living the example of Canadian companies is interesting. Those companies until now have been making living expense payments in the judgment of the management. A typical company is that which has been paying its employes \$100 a year extra regardless of their annual wage. Hereafter the extra payment is to be paid on a statutory basis adjusted quarterly to the cost of living index of the Dominion government—the Canadian index has gone up 14.6 points since August, 1939. It went up from 114.7 to 115.5 during the month ending Oct. 1.

Resident Agent's Service Is Stressed by J. J. Beall

PINEHURST, N. C.—The importance of service of a resident agent, whether he be compensated by commission or on a salary basis, was stressed at the annual meeting of the National Association of Mutual Insurance Agents here by J. J. Beall, executive vice-president Northwestern Mutual Fire of Seattle. The method of compensating an agent has nothing to do with his duties and responsibilities to the public, Mr. Beall pointed out. The fact that an agent is a local man rather than whether or not he is compensated by a commission is most important in Mr. Beall's eyes. He said that he could see no evil in a company's acquiring its business through salaried agents and no stigma upon the agent because he prefers to work for a salary as part of a company organization.

Distant Control Greatest Threat

The practice of some agents of using special influence or undue concessions to control distant business is a greater threat to the agency system than the ac-

tivities of the direct writers. If complete familiarity with local conditions and immediate availability at time of loss are essential to proper service, then what does the non-resident independent agent have to offer? Mr. Beall asked. He said that he wants to see agents earn more money but that "the payment of unearned commissions is the greatest threat to the agency system. Higher commissions reduced the income of competent agents by attracting to the business those who receive but do not earn commissions."

Forecasts a Reduction

"Without a real improvement in the business, including an improvement in the attitude and viewpoint of some agents, all companies, stock and mutual alike, will be forced to reduce the share of the premium dollar paid to agents. All types of companies have many problems in common—declining rates, increased expenses and mounting losses. In view of this situation, no greater share of the premium dollar can be allocated to production expense, he declared.

R. S. Oellers, vice-president of the Meserole group, is in the Pacific Northwest en route to the east following a visit in California. He is accompanied on his northwest trip by Harold J. Johnson, Pacific Coast manager.

Insurance Managers Plan Cleveland Meet, Dec. 9-10

The insurance division of the American Management Association will hold its winter conference Dec. 9-10 at the Statler Hotel in Cleveland. The meeting will provide opportunities for executives responsible for their company's insurance buying to check coverages and procedure against today's needs and hazards.

The first day's session will be entirely devoted to "Case Studies in Loss Adjustment." Authorities on this phase, representing the buyer, the underwriter and the professional adjuster, will bring each case to a logical conclusion.

Another session will be devoted to a discussion of meeting current hazards. It will cover such points as: how the small insurance buyer can get fullest use of coverages available to him; how to establish an educational program for industrial fire protection and making an insurance survey.

General Security of New York, American Mutual of Milwaukee, and Manitowoc Mutual, Manitowoc, Wis., have been licensed in Ohio.

L. D. DeMarco is now a member of the Bray & MacGeorge agency, Vineland, N. J. Jacob Hirschhorn, realtor at 830 Broad Street, Newark, plans to establish an insurance department.



ANY DOUBTS?

Never keep a man guessing about his insurance. Use The Employers' Group Analysis Plan. It's a professional way of presenting your story. You give your client all the information he needs — his coverages, limits, premiums and expiration dates—complete in an attractive personal portfolio. You show him what insurance he has and what he should have — based upon your analysis of his needs.

Our monthly magazine "The Pioneer" contains many interesting articles showing how effectively the analysis plan works. Send for a copy now of the current issue. Write to The Employers' Group Publicity Dept., 110 Milk St., Boston.

The Employers' Group...



ASSURANCE AGAINST FIRE MORE IMPORTANT THAN EVER

No matter how thoroughly your clients may be insured, not one could afford to run the risk of having his factory destroyed by fire. When everyone else is busy, you'd hate to have a client of yours wait until he could get the labor, materials and machinery needed to rebuild and re-equip.

The Travelers Fire Insurance Company has a corps of Fire Prevention

Engineers who can spot a hazard that might otherwise reveal itself in flame and smoke. They know where and how fires are likely to start and they can show your clients how to stop fires before they start.

When you place your clients' Fire insurance in this Company they get more than indemnity in case of loss. You get more than perfunctory service.

THE TRAVELERS FIRE INSURANCE COMPANY
THE CHARTER OAK FIRE INSURANCE COMPANY
HARTFORD, CONNECTICUT

NEWS OF FIELD MEN

Firemen's Group Has Iowa Changes

A change in the Iowa territory for the Firemen's group caused by the death of Roy Stone of Fairfield is announced, with the field men supervising different companies, instead of areas. Mr. Stone, veteran field man who died Oct. 7, had been in charge of southeastern Iowa with headquarters at Fairfield.

Instead of dividing the Iowa territory into sections as in the past, under the new setup Otto R. Besch, formerly state agent for southwestern Iowa, will handle about three-quarters of the state for Firemen's exclusively.

F. R. Sherman, formerly state agent for northwest Iowa, will handle the same territory for Milwaukee Mechanics, National-Ben Franklin and Pittsburgh Underwriters.

Morris D. Koon, special agent formerly working under State Agent Frank Bagwell at Waterloo, will handle as state agent the Concordia, Girard F. & M. and Keystone Underwriters. Mr. Bagwell will continue to supervise all companies for northeast Iowa with headquarters at Waterloo and Harry A. Houghton will handle all companies for three counties, Story, Boone and Polk, with headquarters at Boone.

L. A. Wilson, state agent at Cedar Rapids, has resigned.

Lorenzen Minn. State Agent of Corroon & Reynolds

E. J. Lorenzen, formerly Minnesota state agent of New Hampshire Fire, has been appointed to the same position by American Equitable and New York Fire of the Corroon & Reynolds group. He succeeds Glen W. Eustis, resigned.

Mr. Lorenzen, whose office is in the Plymouth building, Minneapolis, started his insurance career with the western department of Aetna Fire at Chicago in 1924, subsequently serving both in the office and field until 1938, when he joined New Hampshire Fire in the field.

The Minnesota general agency of the Globe & Republic, Corroon & Reynolds company, continues with Philippi & Dressel, with headquarters in the Plymouth building.

Edmondson in Flight to the Northwest

Geo. E. Edmondson, of Tampa, Fla., grand keeper of the Blue Goose and president of the General Agents Association, flew to Minneapolis last week to witness the Minnesota-Northwestern football game and while there was tendered a dinner by the officers of the Minnesota Blue Goose.

He has been dubbed America's No. 1 football fan because of the interest he shows in the game and the fact that he flies to many of the important games throughout the country and probably has witnessed more of the outstanding contests than any other fan. While in Minneapolis, Mr. Edmondson was presented a regulation football autographed by all the members of the Minnesota squad and this will be one of his highly prized football trophies.

While in the northwest, Mr. Edmondson will attend meetings of the Blue Goose at Winnepeg and at Madison, Wis.

Vanderbilt Goes With Pacific National Fire

W. E. Vanderbilt has been appointed special agent of the Pacific National Fire for New York state. He is 32 years of age. He began his insurance career in the North British & Mercantile as an office boy and later be-

came chief examiner for western territory. He then joined the brokerage department of the Pearl in New York City and later was transferred to its Cleveland office where he remained for two years, then returned to New York state as a special agent. Mr. Vanderbilt makes his headquarters at Syracuse. He replaces D. F. Gibb, resigned.

E. R. Pope Now State Agent in La. for Home

E. R. Pope has been appointed Louisiana state agent for Home taking the place of the late H. B. Edwards. Mr. Pope joined Home in 1931 as a special agent and was advanced to associate state agent in 1940.

C. H. Kahrs to Pa., Waggoner to Okla. for London

Charles H. Kahrs, for the past two years state agent for Oklahoma, has been appointed western Pennsylvania state agent for London Assurance. He succeeds Thomas J. Beagan, who has joined National Union.

A member of the staff of London Assurance for 14 years, Mr. Kahrs has served successively in the underwriting, reinsurance and field departments. Before going to Oklahoma he was special agent for Ohio.

Special Agent William W. Waggoner succeeds Mr. Kahrs in Oklahoma. Formerly manager of a leading Webb City, Mo., local agency, Mr. Waggoner has been assisting State Agent Godfrey J. Giersberg in Missouri and Kansas for the past year and a half.

F. & G. Fire Names Wood in Va.

L. Knox Wood has been appointed special agent for Virginia by Fidelity & Guaranty Fire with Richmond headquarters. H. S. Nulton, who formerly held that post, retired a year or so ago. Meanwhile, Godfrey Cheshire, special agent for North Carolina, had been looking after Virginia as well as North Carolina. He is now an officer in the army.

Mr. Wood, a younger brother of Wyatt C. Wood, associate manager of the Virginia rating bureau, had been with this bureau since 1929. For several years he had been doing field work for the bureau in southwest Virginia as special agent with headquarters at Bristol.

Newlin to Commercial Union

R. K. Newlin, formerly with Great American Indemnity, has joined the Los Angeles office of the California-Commercial Union fleet as special agent, and will travel southern California. He has had a number of years experience in that field.

Iowa Duck Dinner Thursday

A large turnout is expected for the annual duck dinner of the Iowa Blue Goose at Waterloo Thursday evening. Several candidates will be initiated.

Frank Miles, state American Legion editor, will give an Armistice Day talk next Monday.

Guests at this week's luncheon last Monday included Edward Nelson, Fort Dodge manager of Underwriters Adjusting, and T. B. McDonough, new Iowa supervisor of American Automobile.

Fire Prevention Surveys

At the invitation of the Muncie, Ind., Insurance Board, the Indiana Fire Prevention Association will conduct a two-day fire insurance survey Nov. 12-13. R. E. Vernor, Western Actuarial Bureau, will speak at a public meeting. He will also address the high school students.

Under the auspices of the American

Legion, the Ohio Fire Prevention Association will inspect Gallipolis, Nov. 12. Harry K. Rogers, Western Actuarial Bureau, will be the chief speaker. It also will inspect Delaware Nov. 14 with Mr. Rogers making the chief address.

Iowa Ashcota Tribe Meets

Members of the Iowa Ashcota tribe, an organization of veteran Iowa and Nebraska field men, attended a meeting in Des Moines called by Chief Sterling Freeman of Omaha, Neb., now retired. All active members of the organization were present.

Mills Elected President

Frank Mills, manager Travelers Fire, Manchester, N. H., is the new president of the Mountain Field Club. The club is the organization of stock fire insurance field men covering New Hampshire and Vermont. Other officers are Fred E. Stanton, Jr., Great American, vice-president, and Robert Babcock, Fireman's Fund, secretary-treasurer.

Glens Falls Appoints Clark

Linwood H. Clark has been appointed special representative in the Illinois and Indiana metropolitan districts for the Glens Falls group. He will assist Special

Agent Albert J. Weiss. Mr. Clark has been with Glens Falls 13 years and for the past four years has been in charge of fire underwriting in Chicago.

Fargo Blue Goose Members Meet

Members of the Dakota Blue Goose living in Fargo held their regular monthly luncheon meeting there on Monday with about 25 in attendance.

Pierce Wolfe, state agent of Security, was chairman, and had worked up a quiz program on insurance questions which were very enlightening. R. W. Swanson, America Fore, who is being transferred to Indiana, this month, was given an appropriate parting gift.

General's Coast Shifts

The General of Seattle has transferred G. R. Logan from the eastern Washington field to western Washington with headquarters in Seattle. Succeeding him at Spokane is John R. Carter, formerly with the Hardware Mutuals in Oregon.

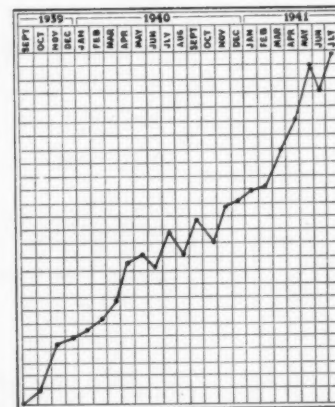
Brissman to Home in Chicago

Don Brissman of the Fargo, N. D., branch of the Fire Underwriters Inspection Bureau, leaves for Chicago to become traveling engineer for Home. He was in the Minneapolis office of the Fire



Progress with

PARAMOUNT



PARAMOUNT FIRE INSURANCE COMPANY

91 WILLIAM STREET, NEW YORK

Underwriters Inspection Bureau for three years before going to Fargo about 2½ years ago.

Mr. Brissman was born in Moline, Ill., and is a graduate of Armour Institute.

Dallas to San Francisco

Albert J. Dallas, formerly in the production department of Fireman's Fund in southern California, has been transferred to the head offices at San Francisco and will work with Special Agent W. G. Perow, assisting agents and brokers in production problems.

Mr. Dallas has been with the company since 1925, the last three years in the southern California field.

San Francisco Ceremonial

The ceremonial and dinner of the San Francisco Blue Goose was held Nov. 3, with about 200 in attendance. A large group of goslings was initiated; colors were presented to Boy Scout Troop 100 of Oakland by the Oakland puddle. Entertainment was furnished by the pond's glee club.

Mrs. Clarence James, wife of the special agent of Aetna Fire, presented a historical review of the **Wisconsin Women of the Blue Goose** at the monthly luncheon meeting and bridge party in Milwaukee.

COMPANIES

Award to Security for Sales Manual

An "Honorable Mention Certificate for Achievement in Direct Mail" has been awarded the Security of New Haven for its sales manual, "Selling Security," prepared as part of its 100th anniversary year program.

The award was made by the Direct Mail Advertising Association. Out of hundreds of entries representing a cross section of American and Canadian business the Security was the only fire company to win an award. Three life companies also won cups.

In receiving "honorable mention" the Security's entry ranked along with those of foremost commercial and industrial concerns.

Security's sales manual was prepared by its production department under the active direction of F. Stuart Bankhardt, assistant secretary, and J. M. Shappell, underwriter special risks department.

Citizens Home Fire Now in Operation

The new Citizens Home Fire of Newberry, S. C., is located in the South Carolina National Bank building. It has received its license and is writing business. John F. Clarkson is president and treasurer; M. F. Gaudian, vice-president, and John L. Epps, secretary. President Clarkson and his associates have been working three years on the project. He is a lawyer and hence has a fine legal knowledge which will be useful to him in his work with the company. Mr. Gaudian is a seasoned building and loan association man. He has been also a teacher. Mr. Epps will look after the office details and underwriting. He was for 15 years office manager and assistant secretary of the Carolina Mutual Fire of Charleston.

The directors are C. C. Hutto of Newberry, R. L. Dargan of Spartanburg, C. B. Ward of Spartanburg, Mr. Clarkson and Mr. Gaudian. The company plans to write fire insurance and allied lines through the regular local agency system. It expected to be completely organized and financed in the near future.

Centennial's Organization

The Centennial of New York organization has been completed. It is a sub-

sidary of the Atlantic Mutual. It has been licensed in New York and will write fire and marine lines. Its capital is \$500,000, surplus \$1,025,000. It will be operated in a large measure as a reinsurer. It stated that actual operations will not begin until 1942 to coincide with the parent company's 100th anniversary.

Harrington Defends Pearl Action

BOSTON—In connection with cancellation of the Massachusetts licenses of the Pearl Assurance and its representatives in the state, Commissioner Harrington, replying to a letter from

O. H. Carlsson, United States manager, reviewed briefly the Massachusetts law stipulating that the manager of a foreign company licensed in the state must be an American citizen and pointed out that under the circumstances no other course was open to him.

Insured Wins Turkey Case

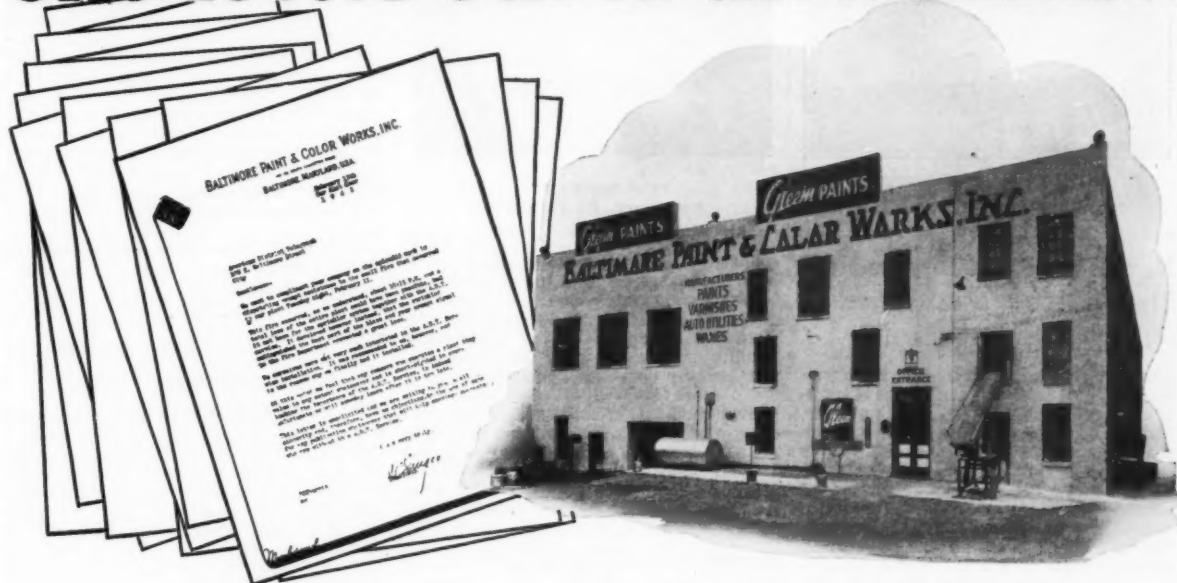
DES MOINES — A test case on a turkey loss resulting from the 1940 Armistice day blizzard is expected to be appealed to the Iowa supreme court following a district court jury verdict in favor of the insured. Mrs. Hanna G.

Larson, Sioux Rapids, in a suit against the National Fire of Hartford, on a \$1,000 policy was awarded the full \$1,000 by a jury at Spencer, Iowa.

Mrs. Larson lost between 500 and 600 birds in the storm. Her five-year policy taken out May 13, 1937, and in effect at the time of the storm, insured her turkeys against loss or damage by wind-storm, cyclone, tornado and hail. The plaintiff contended they were killed by the wind while the company claimed frost and suffocation caused their death.

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...telling the story of A. D. T. efficiency

"American District Telegraph Co.:

"We want to compliment your company on the splendid work in dispatching prompt assistance when a small fire occurred in our plant...

"This fire occurred...at about 10:15 p.m., and a total loss of the entire plant could have been possible, had it not been for the sprinkler system together with the A.D.T. Service. Instead, the sprinkler extinguished the best part of the blaze, and your prompt signal to the fire department prevented a great loss.

"We ourselves were not very much interested in A.D.T. Service. It was recommended to us and that is why we finally had it installed.

"As a result of our experience we now feel that any concern that operates a plant they value to any extent whatsoever, and is short-sighted enough to overlook the importance of A.D.T. Service, is indeed

unfortunate and may some day learn after it is too late."

Baltimore Paint & Color Works, Inc.
Baltimore, Md.

* * *

Naturally, we are grateful to the Baltimore Paint & Color Works for taking the trouble to write us the above letter of appreciation. However, the reason we quote it here is not because it is at all exceptional. On the contrary, it is typical of literally thousands of letters in our files from subscribers who have been saved from serious loss through the efficiency of A.D.T. Protection Services.

If any of your clients still rely on unsupervised sprinkler protection, we shall be glad to cooperate with you in preparing protection recommendations to meet the increased hazards that exist today, through the increase in industrial activity, as well as the ever-present threat of sabotage in any plant directly or indirectly aiding our national defense program.

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AGAINST FIRE · BURGLARY · HOLDUP
A NATION-WIDE ORGANIZATION

NEW HAMPSHIRE AGENTS SPEAKERS



A. J. ROUILLARD
New Hampshire Commissioner



ROY A. DUFFUS
Rochester, N. Y., Agent

New Hampshire Agents Hold Their Annual Convention

(CONTINUED FROM PAGE 3)

efforts to complete its territorial classification for automobile rates by Jan. 1, 1942. He said that some sections in the state have had a bad experience and that penalties would be applied where the losses occurred. Over all, however, he had found the New Hampshire rates exceedingly close to being about right.

Speaking on the assigned risk plan Mr. Rouillard was very emphatic in urging agents to get automobile drivers and owners out of the assigned risk group as soon as possible. It is the policy of his department, he explained, to require the furnishing of substantial reasons for keeping any one in the assigned risk class.

Law Faces Hazard

A very great hazard faces the New Hampshire financial responsibility law, he declared, if the agents do not take an interest in these assigned risks and work to get insurance for them at a reasonable rate. He said that some of the reasons which underwriters advance for their higher cost are not sound. He suggested that before the expiration of a policy on an assigned risk, the agent should ask the company on the risk whether or not it would write the risk at the standard rates.

He has found some communities where it was just about impossible to get assigned risk insurance because the agents in the communities would not bother with it. In two cases, individuals had employed attorneys to get the insurance; the attorneys had gone to agents and then got the insurance and in one of these cases a rather substantial fee was obtained by the attorney. This was very dangerous practice according to the commissioner and was bound to bring the law into disrepute and danger. Mr. Rouillard also warned that partial payment of automobile premiums for those in the assigned risk plan was in violation of the regulations and severe action would follow attempts to evade this provision.

Revisions Beneficial

Revisions of the New Hampshire automobile liability law during the last session of the legislature had been all to the good, said the commissioner. He said he would not be surprised some time in the future if there would be a combination of legal liability and a schedule of payments for specified injuries offered to the public. A big item in the rate structure, he described as the cost of litigation and this should be

reduced. New Hampshire rates have been going down and particularly on some commercial risks have been reduced as much as 40 percent. A new statutory endorsement for automobile liability policies in New Hampshire is now being prepared in the attorney general's office and will be ready shortly. Care is being exercised in this endorsement not to take away any coverage granted by the policy. He said the HOLC Stock Company Association plan had not been approved in New Hampshire and it had not been formally disapproved.

Department Checks Agencies

The final statement of the commissioner was that department examiners were visiting agency and brokerage offices to check up on practices regarded as inimical to the public interest. Among these he classified failure to pass on promptly participating dividends belonging to policyholders, failure to return premiums due policyholders promptly without waiting until the money is paid back by the company.

Mr. Duffus told how members of the Rochester Board were meeting the dollar a week automobile liability competitive policies. The board is carrying ads in the Rochester papers offering the same insurance at 65 cents a week with no finance charge and that it was the purpose of the board to continue this practice until the state and the companies got together on some regulation which would definitely regulate the automobile liability insurance practices in the state.

Attendance of 200

Nearly 200 were present at the New Hampshire meeting. The association has a membership of 195, a gain of 26 members in the last year. Stewart Nelson, secretary-treasurer, Concord, reported a healthy balance in the treasury. Kennett R. Kendall, Rochester, chairman of the educational committee, reported \$548 received from New Hampshire insurance schools and \$339 expenditures. The average attendance per week in 1941 was 188. He reported that the Massachusetts plan of regional classes on fire insurance for five weeks during 1942 will be used in New Hampshire. A representative of the Mountain Field Club is taking the preparatory course in Boston. Places for the meetings will be announced later.

Financing Developments

Robert N. Davis, chairman of the agents group in the bankers-insurance agents joint committee on financing automobile purchases and premiums said that a very definite proposal had been

worked out by the committee and was now under consideration by the banks. Should the banks approve, as seems probable, then the banks would finance automobile purchases where the necessary information on the purchase is brought in by the insurance agent. Mr. Davis said that banks in other states had not shown any disposition to do production work for this business but there was a readiness to cooperate with the agents and to finance both the purchase of the automobile and insurance premiums.

Automobile Committee

Alpheus B. White, secretary of the Mason Insurance Agency, Keene, reported for the automobile committee on the changes of the year. These included obtaining of a broad coverage endorsement at no extra charge, revision of the assigned risk plan, reduction of rates on farmers' trucks by 25 percent, progress toward a simple statutory endorsement on the automobile liability policy and reduction of named operator coverage to the minimum for W instead of Y. Mr. White said that the committee was hopeful of obtaining lower rates by March 1 on farmers' pleasure cars. Also progress was being made in providing better coverage for service station employees when handling customers' cars.

Before the convention began its sessions, Aetna Casualty showed its film, "Say It In English."

Right-O-Way Plan Is Held Up by Caminetti

SAN FRANCISCO—The license of Right-O-Way, Inc., as insurance broker and right of H. W. Metz, its controlling head, to act as insurance broker were revoked by Commissioner Caminetti, following hearings in July, during which it was shown the corporation planned to act as real estate and insurance broker for its stockholders and to obtain business by offering dividends to stockholders from commissions earned. It planned to operate non-board, and sell stock at \$1 per share per month.

Findings in the revocation order included the firm's offer to pay inducements to purchasers of insurance which were not clearly specified; that the firm and Metz were using the license and right to act as broker to prevent enforcement of insurance law, particularly through the proposed return to stockholders evading inhibitions of Section 760 concerning controlled business; that they secured their license without intending actively and in good faith to act as insurance broker; that the plan is against public interest and neither the firm nor Metz maintain professional standards of conduct as required by the insurance code, and if permitted to retain license and right to act as broker and transact business along the avowed lines, they would "tend to produce an unsound and chaotic condition in the insurance business which will seriously jeopardize and injure the rights of the insuring public."

The order provides that before Metz may secure a license as an individual or exercise the brokership powers of his association, corporation or co-partnership, hearing be held to determine if the plan is entirely lawful and in the public interest. Because of the proposed plan of the firm, the case has widespread interest and has been followed by companies, agents and brokers.

Correction on Nominating Story

In the October 23 issue it was stated that W. J. Welsh of Mann, Barnum, Kerdolff & Welsh, Kansas City, placed in nomination for the vice-presidency of the National Association of Insurance Agents the name of Lorren Garlich of St. Joseph, Mo. Mr. Welsh and Mr. Garlich are close personal friends, but Mr. Welsh did not place his name in nomination because he was not a member of the nominating committee. L. E.

New Dwelling House Form Raises Many Questions

COLUMBUS, O.—The Ohio Stock Fire Insurance Speakers Association at its meeting here discussed the new dwelling house form and methods of handling reinstatement following loss under the extension clauses. Allen C. Guy, Columbus manager Western Adjustment; Roy E. Julian, Ohio Inspection Bureau, and J. M. Harter, insurance attorney, led the discussion. The consensus was that the form is too new to formulate any definite conclusions as to its meaning and intent. Mr. Julian outlined what he thought the intent of the framers of the form seems to be while Mr. Guy and Mr. Harter stressed what might be expected from a court interpretation.

Most of the discussion centered around the consideration of whether the form would cover recurring losses, especially should there be \$20,000 coverage on item No. 1, and there be a \$1,000 loss on an outbuilding. When the second loss occurred, would there be coverage for 5 percent of the remaining \$19,000 on item No. 1, or would the provisions of the 5 percent clause be fulfilled?

Mr. Guy and Mr. Harter contended that a court might well take the view that inasmuch as the form was not clear as to recurring losses, the language would be construed most favorably to the assured.

It was also held that the assured could reinstate the policy but that action would not clarify the situation because the liability had already been discharged on the remaining amount of item No. 1, on the first loss and the 5 percent could well be termed as applying only to the amount of such restoration. It was also pointed out that a mere restoration of item No. 1 in no wise changes the provision of the 5 percent clause.

It was finally concluded that the only conclusive way to avoid difficulty is to cancel and rewrite after each loss as the assured would then be operating under a new contract. Doubt was expressed as to the popularity of such a procedure.

Supt. Scheufler Will Back Mo. Qualification Bill

ST. LOUIS—Edward L. Scheufler, Missouri insurance superintendent, asserted that he will throw the full force of his influence behind an adequate agents' and brokers' qualification law at the next session of the Missouri legislature. He made this statement in his first public appearance here since assuming the superintendency a month ago, before a dinner meeting of the Insurance Brokers Association.

An adequate qualification law should be on the statute books, he said, in order to advance the profession and increase the dignity of the insurance business. He paid tribute to the various insurance organizations of the state, and said he favored larger and better ones to further the best interests of the business.

Joseph F. Holland, city councillor and at one time chief deputy insurance superintendent, paid personal tribute to Superintendent Scheufler in a brief talk. Nobody ever scared him and nobody ever bought him, he said. He is an intelligent and forceful young lawyer, but not a voluble fellow. He will listen to 500 words for each one that he utters. With him in charge of the department no "phony" will ever rise to the stature of a "friend at court," Mr. Holland said.

William Jones, president of the association, was in charge of the meeting. Clark Clifford, insurance attorney, was toastmaster. George W. Crowley, Jr., in charge of brokers' licenses for the insurance department, and John J. O'Toole, president of the St. Louis Board attended.

Bright of St. Louis, who was a member of the nominating committee, representing the Missouri association, seconded the nomination of Mr. Garlich.



Section of speakers' table at Indiana Association of Insurance Agents' annual meeting in Indianapolis: W. H. Bruner, South Bend; W. H. Jennings, board chairman Illinois Association, Rockford; F. H. Jannasch, Gary; G. B. Woodward, Bloomington; and Ralph G. Hastings, Washington. (Right) Wellington Potter, Rochester, N. Y., "pouring it on" in his talk on stock insurance problems.

Wage Decree in Newark May End Insurance Issue

NEWARK—The decree signed recently by Federal Judge Walker in the federal court here involving American Insurance Company is the first of its kind against any insurance company.

The decree was the result of a friendly proceeding between the Wage and Hour Administration and American, the company being chosen as representative of the insurance industry. The findings in the case practically apply to all of the important insurance companies, for the reason that the National Board of Fire Underwriters took an active part in the proceedings.

Affects All Fire Carriers

As the result of the decree it is expected that employees of all fire insurance companies will be affected by the order, and their wages and hours will be according to the law of the Wage and Hour Administration, which provides for a 40-hour week and time and one-half for overtime. It is anticipated that similar agreements will be effected with the life and casualty insurance companies.

The work of insurance companies is heavy during the latter part of each year and the first part of any new year due to annual reports, tax and other reports which must be rounded up at that time, which as a rule requires overtime.

The decree just signed in Newark, really applies to only 500 American of Newark employees, office workers, accountants and statisticians. It does not apply to adjusters and agents.

Carol Ann Hillen is a new arrival at the home of Byron B. Hillen, Seattle agent.

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Over 50% Rental Reduction

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Insurance Exchange Bldg., Chicago
Harrison 7676

WANTED

2 young men between the ages of 23 and 28, for training as future Special Agents by the Western Department of a large fire company. Personality and appearance for meeting public and background of insurance required. General experience in small home or branch office or local or general agency desirable. Address Box O-48, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

INSURANCE ENGINEERING

Wanted by prominent Chicago local agency, young man in engineering department. State age, experience and salary expected. Address Box O-51, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

Fireman's Fund Interest at Fall River Clarified

An error was made last week in referring to the interest of Fireman's Fund in the loss in the Fall River, Mass., plant of Firestone Rubber & Latex Company. The only policy of Fireman's Fund that is involved is a 2½ million dollar contract covering nationwide the interest of Firestone on rubber under an I. U. B. form.

There was a limit of liability of \$1,000,000 under this contract at the Fall River plant. The last previous report of values of the Firestone Company prior to the loss indicated that there was less than \$500,000 exposure at the Firestone plant, but following the fire the Firestone company advised Fireman's Fund that the values had increased in the interim between the last report of values and the time of the fire to \$1,400,000. Thus the total loss under this policy will in no event exceed \$1,000,000. Fireman's Fund had reinsured its liability very heavily. The report in last week's edition indicated that there were two Fireman's Fund policies

involved and that the total loss to that company might be \$1,900,000.

F. I. A. Withdrawals Denied

HARTFORD — Rumors of some company withdrawals from the Factory Insurance Association because of their experience in the Fall River conflagration are discredited by Hartford executives. The loss unquestionably was a severe blow to the interested companies, and as a result a close study of the policy of the F. I. A. may be made.

U. S. F. & G. Emergency Allowance

U. S. F. & G. announces that it has put into effect an emergency allowance amounting to 10 percent of base pay for all employees. It will be payable monthly. In addition all employees who have been on the payroll since Jan. 2 of this year on Dec. 15 will receive an extra payment of a half month's salary.

Sell more accident with "Why Disability Insurance" booklets. 100 copies \$2. Order from National Underwriter, 175 W. Jackson Blvd., Chicago.



Plug No. 19

NATIONAL DEFENSE THROUGH FIRE DEFENSE

The National Board of Fire Underwriters, celebrating now its 75th year of fire prevention work, has placed all of its facilities at the disposal of the Government during this national emergency.

Every effort should be made to
Avoid loss by fire

Reduce the hazards of fire

Protect the businessman and property holder against financial misfortune by proper and complete insurance coverage.

FIRE ASSOCIATION OF PHILADELPHIA LUMBERMEN'S INSURANCE COMPANY THE RELIANCE INSURANCE COMPANY PHILADELPHIA NATIONAL INSURANCE CO.

401 WALNUT STREET, PHILADELPHIA

FIRE, MARINE and AUTOMOBILE INSURANCE

A personal MESSAGE TO OUR AGENTS

from

W. H. Jennings



WHEN BATTLES WERE FOUGHT by wooden ships and iron men, we were doing our share to help our agents surmount the crucial problems of the time. Today, with the accumulated experience of almost another century and a half, we are in even better position to assist our agents in these times.

NORWICH UNION

FIRE INSURANCE SOCIETY, LTD.

EAGLE FIRE COMPANY OF NEW YORK
NORWICH UNION INDEMNITY COMPANY

75 Maiden Lane, New York, N. Y.

EDITORIAL COMMENT

Echoes from Other Years

With the recent death of Sumner Ballard there passed on not only a remarkable personality, but one who actively participated in conditions in the fire underwriting field that changed years ago. In the closing years of the 19th century and the early part of the 20th, local fire insurance companies were domiciled in such centers as Washington, D. C., Pittsburgh, Richmond, Va., Charleston, S. C., Atlanta, New Orleans, St. Louis, Cincinnati and other leading cities throughout the country.

For the most part these institutions operated in limited areas, and each boasted a choice business, secured largely through appeal to local pride. As the great companies became more aggressive in their quest for premium income, with their ability to write large lines and on liberal classifications, the competition bore hard on the smaller institutions.

One after another of the smaller

companies succumbed to offers of reinsurance or sale to their more aggressive competitors, and in the most of these transactions Mr. Ballard was the leading figure.

With the purchase of subsidiary companies to corral their choice local business was ushered in the era of company fleets, so that today virtually every one of the important fire companies controls a group of subsidiaries.

Under the conditions now obtaining, both in underwriting and in the economic field generally, it is no longer held possible to build up new fleet aggregations equipped to compete with those already established. Nor is it at all likely that any single office will be able to duplicate the remarkable career of the Globe & Rutgers under the Jameson management. However brilliant a company executive may be, existing conditions make such result virtually impossible.

Keeping Business on the Books

WHILE the word "service" has become trite and oftentimes is used to cover inefficiency or negligence, yet there is no word that we can substitute for it that will give the exact meaning. The producer who is not a service man, a counsellor or a helping man to his clients should be banished from the ranks.

W. A. Sullivan, insurance manager of the Loose-Wiles Biscuit Company of Kansas City, in his most enlightening address at the convention of the National Association of Insurance Agents called attention to the fact that many agents are writing insurance who do not know how to service their clients. He even decried the method of agents using specialists or company people to go with them to sell certain lines of insurance thus putting the agent in the category of being ignorant of the coverage; otherwise he would solicit it himself. "How then can he service his policyholders intelligently and satisfactorily?" asked Mr. Sullivan.

It would be well for every producer or agency to keep in mind the matter

of persistency of his clients. That is, after a sale has been made, on expiration is it necessary to go over the same course again and resell the customer? If so the implication is that the agency has not kept in touch with its clients through the year and perhaps some competitor has gotten busy. There may not be the opportunity for direct service as to claims but certainly an agent in his larger premium risks should keep in contact with his assured during the year, ascertaining whether there is anything he can do. He should review the policyholder's situation, at least every three months and go over with the executive or person handling the insurance the condition to see whether there is need for any revision or addition, or subtraction. Those agencies that have the faculty of keeping business on their books from year to year do not have to go over the selling process at every expiration. They keep their clients satisfied by giving them proper service and keeping in contact with them at all times.

Doing Something About a Problem

Superintendent Lloyd of the Ohio insurance department recently issued his annual list of insurance companies licensed to do business in Ohio. This is not a mere list nor is the letter of transmittal accompanying it a routine report. Superintendent Lloyd takes his responsi-

bilities to the citizens of Ohio seriously. The list is given wide distribution to the public, and in the letter he warns buyers not to purchase insurance from unlicensed companies, particularly "mail order insurance houses."

Each year, he points out, unlicensed

companies sell Ohioans "hundreds of thousands of dollars worth of insurance contracts of dubious value, making the sale entirely by mail. In writing you and enlisting your cooperation against these outfits, I am appealing to you to assist the insurance department in a public service which likewise affects your own personal prosperity." Ohio cannot reach into another state to stop these companies from soliciting Ohio residents through the mails, he said, but "we can warn Ohio residents against them and we have a duty so to do. We ask you to join in spreading this warning."

In addition to the list of authorized

companies the Ohio department has compiled lists of unauthorized companies soliciting in Ohio by mail and this Superintendent Lloyd offers to forward on request.

He points out that every person who buys a policy in Ohio can make certain of maximum protection by taking two simple precautions: first, he should always insist upon buying insurance from a licensed agent or solicitor, and, second, he should make sure that the company in which he buys is licensed in the state. This kind of public service in insurance matters reflects great credit on a fine insurance department administration.

PERSONAL SIDE OF THE BUSINESS

Arthur J. O'Donnell, supervisor of the New England department of North British & Mercantile in Boston since 1922, has completed 25 years with the company and was given a dinner by his office associates in recognition of the anniversary. He was presented a wrist watch from his friends by General Agent H. A. Klocke. Secretary A. E. Murdock of the company reviewed Mr. O'Donnell's long service.

J. Whitney Richardson, Brooklyn manager of Royal Insurance Co., completed 50 years with the company. To mark the occasion the executives and a number of his other friends gathered at a luncheon to pay him tribute. Harold Warner, United States manager, presented him with a gold watch suitably inscribed.

T. M. Dunlap of the T. J. Houston & Co. adjusting organization of Chicago, was reelected vice-commander of the Sail Yacht Squadron of the Lake Michigan Yachting Association at the annual meeting in Milwaukee. Commander Dunlap is co-owner of the schooner "Fame."

A. G. Blacklock, special agent of Trezevant & Cochran, with headquarters in New Orleans, who was the first quarterback on Sewanee's football team back in 1891, will attend the homecoming game with Vanderbilt at Nashville, Nov. 8, this also being the 50th anniversary of football relationship between the two universities.

Attending the New Hampshire Association of Insurance Agents meeting last week was **Capt. Phillip P. Hardy**, for many years special agent of Merchants Mutual Casualty in the state. Captain Hardy is serving at Fort Devons, Mass., where he supervises a recruit assignment station.

Frederick Ackerman, New Jersey state agent National Union Fire for many years, who retired several years ago, has been spending several weeks in Newark with Mrs. Ackerman and has now returned to his home at Daytona Beach, Fla. They celebrated their 40th wedding anniversary last week.

Richard E. Vernor, Western Actuarial Bureau, will be the toastmaster at a banquet of Sigma Chi alumni chapter at the Stevens Hotel, Chicago, Friday evening, honoring National Commander Lynn U. Stambaugh of the American Legion, who is a member of the fraternity. Speakers will include Brig.-Gen.

John M. Willis of Camp Grant and Dr. Franklin Bliss Snyder, president of the Northwestern University. Constance Merrell of the Chicago Opera Company is to sing, and a salute to Commander Stambaugh will be given by the national championship color guard of Commonwealth Edison Post 118 of the American Legion.

Ralph A. Timbermans, special agent of Great American, is ill in the Iowa Methodist hospital in Des Moines. He recently was released from the hospital after a siege with mastoiditis but was forced to return after a fever complication set in. He has been special agent in Des Moines about a year and previously was with the rating bureau in Sioux City.

Ed. P. Cosgriff, Fargo, N. D., general agent, and Mrs. Cosgriff announce the engagement of their daughter, Jane Halron to Harry F. Charlton of St. Paul, son of **Thomas F. Charlton**, who is an adjuster with Western Adjustment, Chicago. The wedding will take place early this month at Alexandria, La., where Mr. Charlton is stationed with the 164th infantry. Miss Cosgriff has been employed as secretary in her father's office. Both she and Mr. Charlton attended the University of Minnesota.

A. L. Phillips, inland marine special agent National Union, Chicago, is the proud father of a baby boy, Gerald. This is the Phillips' first child.

Arne Fougner, vice-president of Christiana General of New York, is much in demand as a speaker before insurance and non-insurance gatherings, averaging two to three talks a week on conditions in Norway, his native country, from which he escaped last year following the Nazi invasion. In his later talks he has been showing a motion picture film recently smuggled out of Norway and showing how the Germans have destroyed several good sized cities there.

In addition to insurance groups, Mr. Fougner's audiences have included Rotary and other luncheon clubs. Y. M. C. A. groups, young people's organizations and others interested in developments abroad. Mr. Fougner scrupulously avoids advocacy of this country's entering the war, feeling that any such utterance from anyone who is not a citizen is in poor taste. The theme of Mr. Fougner's talk is that what the Nazis



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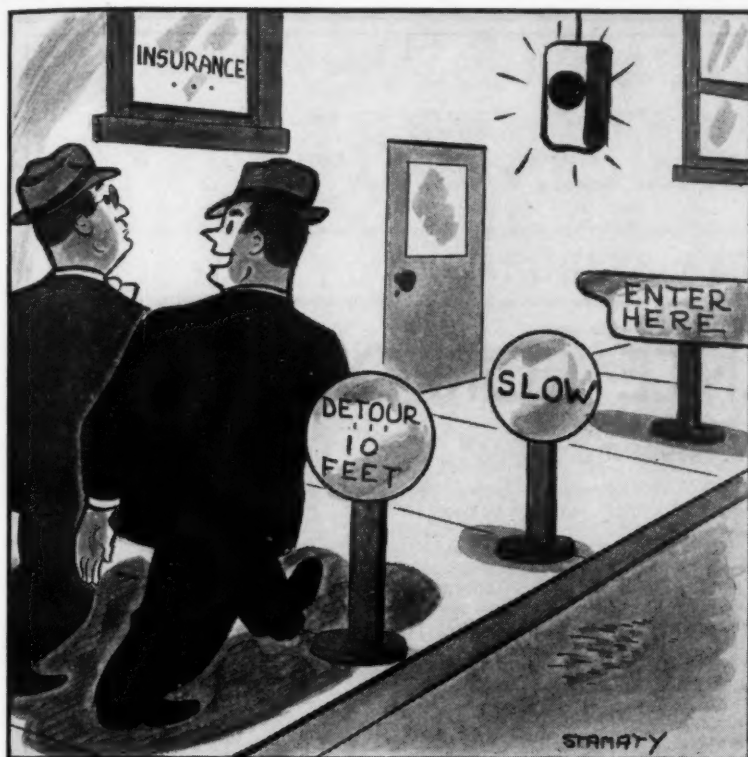
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"His method is somewhat unorthodox, but it gets him prospects!"

have done to Norway stands as a lesson to democracies everywhere.

DEATHS

Hugo Dahlman, 60, an investigator for the agents' licensing division of the Michigan department, died from a heart attack in Lansing. He had been with the department since June. He was chief inspector for the state fire marshal's division 1917-1923, did fire prevention work for the Ford Motor Company, and served as superintendent of agencies of the Michigan Surety of Lansing and the old Detroit Fidelity & Surety.

Andrew W. Young, 46, manager of the Ripsinske-Young agency and for 15 years secretary of the Wausau Insurance Board, died at a hospital in Wausau, Wis., after a long illness. He entered the local agency business in Wausau in 1924.

Albert E. Randall, 64, of the Boston agency of Randall, McCarthy, Inc., affiliated with Boit, Dalton & Church for the past few years, died suddenly of a heart attack in his office. He had been in the insurance business in Boston for 32 years, entering the agency field with the late George McCarthy in 1909.

Chapin R. Brackett, 67, for 30 years a Minneapolis agent, is dead. For the past

13 years he had been associated with the Phelps & Co.-Ware agency and previous to that was with the Easterly-Hoppin Co. He also was widely known as a breeder of Jersey cattle.

N. R. Pfeiffer, 54, head of the insurance division of the Borden Company, milk concern, died at his home in New York City. He had been with the Borden Company since 1911.

John F. Steiner, 78, who retired nine years ago as head of the accounting department of the Fireman's Fund in its western department, died Friday of last week. He was prominent in his section of Chicago for his religious work.

Bernard F. Doyle, 36, associate editor of the "Insurance Index," Louisville, was injured fatally there when struck by an automobile. Mr. Doyle was with the publication eight years and traveled widely, visiting home offices and attending conventions.

C. F. Merrick, Jr., 51, for 19 years with the Boston general agency of Fairfield & Ellis, the last few years as office manager, died there following ten days' illness. He was a native of Boston and graduated from Harvard in 1912. He was for some years with R. A. Boit & Co. before joining Fairfield & Ellis.

T. J. Maher, formerly manager of the insurance department of Commonwealth, Inc., Portland, Ore., died there follow-

ing a long illness. He was at one time Seattle special agent of the Firemen's group.

Edward P. Ingraham, 82, in insurance work in Worcester, Mass., for more than 50 years, died at his home after a long illness. He was a member of Munroe, Ingraham & Parker more than 30 years, retiring in 1931 when the firm was reorganized as Ingraham, Parker & McPherson. Mr. Ingraham continued as an adviser up to his death.

He started in insurance Sept. 1, 1883, as a partner with his father-in-law, the late Edwin G. Field, forming the firm of Field & Ingraham and later was a partner in L. C. Parks & Co. He left agency work in 1895 to become secretary of the Worcester Board of Underwriters and fire insurance stamping clerk for the district, but returned some years later.

Frank L. Flinn, of the George Hermann & Co. agency at Chicago, died in

Michael Reese Hospital of pneumonia. Funeral services were held Monday. He had been associated with the office for 27 years and a member of the firm for 25 years. He was 48 years old.

Balance Delinquencies Ohio Topic

COLUMBUS—The Ohio Fire Underwriters Association today discussed the growing delinquencies in balances due to the increased cost of living and higher taxes and urged agents to avoid open accounts and to make aggressive collection efforts. The new dwelling house form was discussed and much confusion as to its meaning was revealed.

John Tudor and Thornton Goodloe were made honorary members. The latter is retiring from the North American. P. Paul Desmond, Great American, Cincinnati, was admitted as a member.

OBSERVATIONS



of the Old Man

"God grants liberty only to those who love it, and are always ready to guard and defend it."

—DANIEL WEBSTER.

Next in importance to man's struggle to guard and defend his liberty, has been his instinctive fight to own property—to acquire more and more possessions that will provide a richer, happier life! And fire insurance, one of the greatest forces in the preservation of property, guards against an ever-present threat to the things he holds dear.

Under the present National Emergency, alert agents must increase their efforts to spread the

benefits of fire insurance and its allied lines to every American home and industry. Loss from windstorm, explosion, business interruption, riots and many other perils con-

stitute greater danger today, due to rising replacement costs.

The New Hampshire and Granite State Fire Insurance Companies are cooperating with agents to further the success of their efforts—are ready to help analyze problems, and to aid in developing a sound insurance program that will meet today's needs of every prospect!

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The NATIONAL UNDERWRITER

November 6, 1941

CASUALTY AND SURETY SECTION

Page Nineteen

Convincing Story of A. & H. in Action Is Cincinnati Feature

Gurney Is Elected President at Ohio Association's Annual Meeting

NEW OFFICERS ELECTED

President—C. L. Gurney, Mutual Benefit Health & Accident, Cincinnati.

First Vice-president—C. F. Harroll, Inter-Ocean Casualty, Dayton.

Second Vice-president—E. W. Welton, Business Men's Assurance, Columbus.

Third Vice-president—C. F. Stewart, Cleveland Insurance Agency, Cleveland.

Executive Secretary—W. B. Cornett, Loyal Protective, Columbus.

Executive Committee—R. B. Coffman, Pacific Mutual, Cleveland, chairman; C. A. Sholl, Globe Casualty, Columbia; Homer Bisch, National Casualty, Toledo; W. R. Dignan, W. E. Lord Co., Cincinnati; W. A. Wilson, Illinois Bankers Life, Akron; P. C. Roland, Globe Casualty, Canton, and Paul E. Kennedy, Loyal Protective, Youngstown.

By C. D. SPENCER

CINCINNATI.—Members of the Ohio Association of Accident & Health Underwriters at their sales congress here were given a convincing demonstration of accident insurance in action by Dr. R. V. Harris, Savannah, Ga., who has been receiving \$150 each week on his accident and health insurance since 1927 when he was accidentally blinded. He presented a dramatic story telling how when pauperism was staring him in the face and he was broken and fearful of the future, accident and health insurance came to his rescue to provide economic security. Dr. Harris was very emphatic in stressing the need for spreading the gospel of accident and health insurance, declaring that many prospects need and want accident and health insurance but the only reason they haven't got it is that it hasn't been properly presented to them. Dr. Harris urged agents to appeal to the emotions if necessary to get action, because "what would have happened to my family if I hadn't been properly protected?"

Now at Crossroads

"We are now at the crossroads where we must sell accident and health insurance for specific needs," R. B. Coffman, Pacific Mutual Life, Cleveland, retiring president Ohio association, declared. Companies are beginning to realize this and are furnishing their field men with contracts which can be fitted in with the prospect's other personal insurance.

(CONTINUED ON PAGE 20)

War Situation Challenge to Agency Executives

CINCINNATI, O.—The national defense situation has created conditions which challenge the resourcefulness and ability of every accident and health agency executive. Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, declared at the sales congress here of the Ohio Accident & Health Association. "If the challenge is to be met and we are to go forward to greater accomplishments that have reflected the progress of the accident and health business in the past 10 years, it will be done by the better training and retraining of our accident and health producers even though fewer in number, thus servicing more of the public through better salesmanship and a better knowledge of our insurance," he declared.

Must Recognize Changes

Although the direct effects of the war economy may not be apparent, various factors such as defense mobilization, shortages of raw material, priorities, high wages, increased cost of living, personnel problems and kaleidoscopic changes that were undreamed of five years ago do produce an indirect effect upon the business. The alert and far-seeing agency supervisor should construct his future agency program with a full realization of the future effect of these new conditions. The draft which has taken thousands of young men between the ages of 21 and 28 from civilian life has reduced not only the present agency force, but eliminated many prospective agents of high caliber, especially young men who are taken from colleges and institutions of higher learning before the completion of their courses. Although the insurance business must accept this handicap as its part in the national defense program, during the course of the next five years, two to four million young men in their twenties are eliminated as potential agency material. This will necessitate an adjustment of agency building programs and raises the problem of providing ways and means of supplanting the temporary loss of agency material.

Face Higher Living Costs

Probably the most significant effect of the war upon agency development at the present time is the rising cost of living and the upward trend of wages in war industries and other businesses. Commissions paid to agents are difficult, if not impossible to adjust to an inflationary trend. While claims do not increase in an era of high prices, in fact being slightly lower, the situation does not justify an increase in the gross selling price of the product. An increase in the remuneration paid to the agent per premium dollar is impossible. Unless inflationary tendencies are checked through the establishment of wage ceilings, the problem of providing adequate income to insurance salesmen will be a very perplexing one.

Already the effect of increased wages in other industries has made itself felt in agency ranks. As an example, Mr. Gordon cited an agency which normally carries from 18 to 22 men but which now

has been reduced to seven as the others have been attracted by the high wages paid in manufacturing plants. Although the business can be serviced by a small number of agents, the added expense of training new men as well as the physical loss of man-power in the development of new business creates a serious problem.

Must Meet Situation

An aggressive effort should be made to meet this situation, Mr. Gordon declared. It is shortsighted for a person to sacrifice a reasonably assured future to take a temporary job at higher wages. Many agents will realize the opportunity of a long time, permanent employment in a stable business such as the accident and health field, and will not succumb to the temptations of short-lived high rate income employment.

The shortages of raw material in some fields may provide an opportunity for securing agents from the sales personnel of these industries. The insurance business has the advantage of not having a shortage of raw material.

The rapid development of agents' qualification laws is handicapping the licensing of new men in some states. Although the changes in the qualification laws were brought about by the influx of unqualified men into the insurance business as a result of the depression, the situation has now changed. Agency executives believe in the necessity of proper qualifications of all persons who are to sell insurance. However, in establishing a measuring stick or standard by which competency is determined through a written examination, there are unfortunately a few states that confuse simple fundamentals with voluminous academic knowledge, the latter in no way serving the purpose of providing a real test of a man's competency to enter the business. As a result, honest, conscientious and fine agency material has been eliminated by the process of a written examination so technical that only the "cum laude" type of student can pass it, Mr. Gordon pointed out.

Not Intent of Legislators

It is difficult to believe that any state legislature when enacting an agents' qualification law intended the prospective agent, who might otherwise be well qualified, be a scholar of the first magnitude. Despite this, in one large state many men of splendid agency caliber are now being deprived of the opportunity to engage in the business because of their failure to pass a written examination so academic in its character that the large percentage of failures reflects its absurdity. "If we add qualifying requirements of highly technical book knowledge for new men to the already existing impediments in the acquisition of new agency material imposed by war, we can expect the bookworm type of agent instead of the virile, energetic men who now compose our agency forces."

Coupled with the examination problem is the added difficulty of maintaining a new man's enthusiasm during the waiting period which must elapse be-

(CONTINUED ON PAGE 20)

Crashed Airliners Both Covered by Same Carrier

Associated Aviation Underwriters Writes Compensation, Liability

NEW YORK—Both transport planes which crashed with heavy loss of life last week were insured for workmen's compensation and liability by Associated Aviation Underwriters. The close sequence of the two disasters is regarded as of no significance and the fact that both were insured in the same underwriting group is due in considerable part to the fact that Associated now covers the majority of domestic airline risks.

Until the investigations are complete it will be impossible to say whether curtailment of airlines' equipment by defense demands had anything to do with the crashes. Reacting to arguments that it is better to build up the airlines' fleets as army reserves than to deprive the lines of needed ships, the Office of Production Management has just agreed to permitting factories to build between 150 and 175 planes for the lines. This will do much to avert the threatened shortage of replacement equipment.

In last week's crashes a Northwest Airlines plane near Fargo, N. D., killed 14 aboard, the pilot being the only survivor, while the second crash took the lives of everyone aboard—20—in Canada on the Buffalo-Detroit run of an American Airlines plane.

Insurance against ground perils was carried on both planes. One was covered for crash but the underwriters did not indicate which one. Approximate value of the type of ship involved is \$130,000. Both lines have excellent accident records. It is a matter of years since either has had a crash involving a fatality.

Casualty Actuaries to Meet Nov. 14

NEW YORK—When the Casualty Actuarial Society holds its annual meeting at the Hotel Biltmore here Nov. 14 new papers to be presented will include: "An Analysis of Pre-Payment Discounts," by Robert J. Myers; "State Regulation of Insurance Rates," by Clarence W. Hobbs, and "Exhibits and Schedules of the Casualty Annual Statement Blank," by Thomas F. Tarbell.

In addition there will be informal discussions of the "apparent effect of the current defense effort on the premium volume and the underwriting results from the various lines of casualty insurance" and "problems resulting from the New York motor vehicle safety responsibility act, and possible solutions."

There will also be formal discussion of papers previously submitted.

Leiffen Explains Effect of Tax Base Change on Casualty Carriers

The internal revenue department will attempt to collect more than \$10,000,000 from casualty companies in taxes as an outgrowth of the difference between computing reserves for unpaid losses on the case and the statutory basis, according to Harry B. Leiffen, assistant treasurer United States Guarantee. Mr. Leiffen has made a close study of the situation.

A casualty company, preparing its federal income tax return for 1930, computed its reserves for unpaid losses for liability and workmen's compensation policies on the "case" basis; that is, the amount it expected to pay to settle each undisposed of claim as at the beginning and end of that year.

Statutory Basis

Other companies had computed in accordance with the requirements of Schedule "P" in annual statements to insurance departments. This method is based on earned premiums and is commonly called the "statutory" basis.

Generally, the statutory form of computation produces a higher reserve than does the case method. Use of the former, therefore, results in less taxable income and less tax.

Discovering this, and attempting to correct its mistake, the aforementioned company thereupon filed a claim for refund of \$1,212. The claim was denied by the board of tax appeals, the denial sustained by a U. S. circuit court of appeals.

A precedent was thus established.

Additional Taxes Sought

The result was a letter from the commissioner of internal revenue in 1940 directing each district office: (1) to audit the returns of all companies affected, (2) to recompute their taxable income by means of the case method rather than the statutory, and (3) to ascertain and collect the amount of additional tax payable.

This changed attitude on the part of the revenue department obviously has an enormous potential effect on the casualty insurance business. Extensive research undertaken by Mr. Leiffen indicates that, of 100 insurance companies, half are subject to additional tax. Mr. Leiffen's study revealed that: 20 companies are mutuals, exempt from federal income tax; two are stock life companies, exempt from federal tax on underwriting income; 13 are stock casualty companies whose reserves, figured by either the statutory or case method, were identical, and 15 are stock casualty companies whose case computation was larger than their statutory reserve so that by changing to the case basis these 15 companies became entitled to tax refunds.

More Than \$10,000,000

However, with respect to the remaining 50 stock casualty companies, the internal revenue department, it appears, will attempt to collect more than \$10,000,000 in additional taxes from them along with interest for the three years ended Dec. 31, 1939. The new method of computation will be used to collect the 1940 returns and of course there are other companies not included in this particular study. Consequently, it can be seen that the aggregate tax collections will be considerably greater than \$10,000,000.

Mr. Leiffen points out that personnel of the internal revenue department can't be expected to possess a highly technical knowledge of the casualty insurance business, nor of the facts behind the "convention" statement. Therefore, it will invariably, though doubtless unknowingly, claim more taxes than it is entitled to under the circumstances.

To meet this situation, and to accomplish the maximum of legitimate reduction in amounts claimed by the government, a company must consider many factors.

For example, the government under

the law has only the last three years available to it for readjustment. All prior years are closed and not subject to reopening. Much controversy centers around the adjustment of the first open year, the government invariably using the statutory loss reserve at the beginning and the case reserve at the end of that year. By so doing, though seeming to deal with one year only, it actually reopens and deals with all years from the first year of issuance of the liability or workmen's compensation policy.

Consequently, it is very important for the taxpayer to prove "that the government is actually reopening closed years." Such proof can easily be established by breaking down the additional taxable income produced by the government into each year from inception. To the alert executive or accountant this analysis alone will reveal several varieties of legitimate tax savings aggregating a considerable sum, he states.

In assisting several companies with this specific tax, Mr. Leiffen has found that no two problems are exactly alike in all particulars, although the saving in each has been considerable. Mr. Leiffen discovered also that, aside from the loss reserve adjustment, all companies have not been treated alike by the government.

Differences in Treatment

To illustrate, he pointed to the item of "voluntary reserve" for liability and workmen's compensation losses, often clearly revealed in Schedule "P". Some companies have received credit for voluntary reserves in tax returns while with others it was disallowed. This lack of uniformity has doubtless been unintentional and will automatically be rectified by the universal adoption of the "case" basis.

Mr. Leiffen also discovered that some companies are on a "cash" basis and some on an "accrued" basis with respect to "taxes other than federal" and "loss adjustment expenses."

These disclosures emphasize that in reopening of closed years by the government to adjust taxable incomes companies are afforded opportunity to obtain "contra" credit heretofore denied them on those closed years.

Task for Specialist

Since the main problem, adjustment of loss reserve on liability and workmen's compensation from the statutory basis to the case basis, never arose before and will not again, it is apparent that outside lawyers and certified public accountants, even if they are tax specialists, can offer insurance companies little help on this particular matter, Mr. Leiffen believes. It is a highly technical issue. It calls for study by one who has a comprehensive knowledge of the income tax law as it specifically bears on the insurance company and one who understands the facts behind the convention statement, particularly as to losses and as to the peculiarities of and omissions from the statement. These latter omissions may lead astray some insurance accountants and officials who prepare tax returns, to their companies' disadvantage.

Apparently the only legal problem involved in the issue is whether or not the government has the right to change retroactively from the statutory basis previously accepted by it to the case basis. The right to use the case method of computation has been established by the decisions of the two tribunals. Of course, the issue could be carried to the Supreme Court. However, companies almost without exception have accepted the government's right to adopt the case basis, the controversy centering solely upon the manner in which it is done and the periods embraced.

The problem, then, is one of accounting, Mr. Leiffen points out. It is one for an insurance specialist within the industry.

Stock and Mutuals Cooperate as to Automobile Rates

NEW YORK—In criticizing the National Bureau of Casualty & Surety Underwriters for cooperating with the American Mutual Alliance in the preparation of automobile rates and policy forms, at a meeting of the midwest councillors during the convention of the National Association of Insurance Agents at Kansas City, the speakers obviously overlooked the fact that in all regulated states the carriers are required to combine their experience, and based upon it rate revisions are considered by the governing authorities.

If the different types of carriers failed to cooperate in the preparation of policy contracts, with standard provisions proved to be necessary for the common good, the result would likely be the drafting of forms by each particular state, and the incorporating of such special features as the authorities favored, wholly regardless as to this effect on the business as a whole.

Competition between stock and the nonstock institutions continues as keen as ever. However, there is a degree to which cooperation is highly essential otherwise a period of demoralization might result, to the detriment of companies, agents and the insuring public alike, bureau officials point out.

Stellwagen Opens Casualty Course at Philadelphia

H. P. Stellwagen, executive vice-president Indemnity of North America, delivered the opening lecture on "Legal Liability" of the second year casualty class of the Insurance Society of Philadelphia. The lectures began Nov. 6 and will last through April 30.

Other weekly lecturers in chronological order will be: E. Walter Helm, Jr., resident vice-president New Amsterdam Casualty, "The Liability Contract"; Earl R. Coe, assistant manager London Guarantee & Accident, and William K. Conrad, manager casualty department Standard Accident, "Analysis of Coverages by Hazards"; Sidney T. Johnson, superintendent of claims Employers Liability; "Liability Claims"; D. R. Walker, assistant manager Indemnity of North America, "Analysis of Coverages by Hazards"; John F. Kenney, Travelers, "Employers Liability and Compensation Claims," and H. W. Mathews, superintendent engineering department Aetna Casualty, "Inspection and Safety."

The lectures are given every Thursday evening from 6 to 7 p. m. The course will close with an examination on the entire subject matter.

Billboards Publicizing the N. Y. Responsibility Law

NEW YORK—The bureau of motor vehicles of New York under C. E. Mealey, commissioner, has added billboards to other media in its campaign to acquaint citizens of the state with the new financial responsibility law which goes into effect Jan. 1.

The Outdoor Advertising Association of New York has inaugurated a gratis billboard poster campaign to publicize the new law and advise citizens to get a copy of an official pamphlet issued by Mr. Mealey explaining the law's provisions. The pamphlets are available in service stations.

Mr. Mealey has been using the press, the rostrum and the radio to acquaint New Yorkers with the need for studying the new law.

Discuss Drivers License Law

COLUMBUS—The Casualty & Surety Field Club of Ohio heard C. E. Nofor, chief of records of the drivers license division of the state motor vehicle department, and D. L. Tedrick, attorney in the department, discuss the new

Tax Delay Is Stock Company Advantage

Interests Gain Time to Present Side to Treasury

WASHINGTON—Delay in the formulation of what was to have been the second revenue act of 1941 appears to be to the advantage of stock casualty interests which have been working to have mutuals placed on the same tax footing as stock carriers. The longer the new tax bill is delayed the more time there is for the stock people to get their position across to the Treasury officials. The stock interests feel certain that the mutuals cannot successfully refute the stock position on a factual basis.

At the time the recent revenue act was enacted it was thought that by this time the supplementary act would have been put through Congress but the urgency of the defense program has sidetracked the second revenue act and it is quite likely that it will be after the first of the year before it is finally acted upon. Practically all the taxation features of direct concern to the defense program went through in the first revenue act.

American Auto Has Residence Medical Expense Cover

American Automobile has issued a residence medical expense coverage to be used by endorsement to the personal liability policy. It provides medical, professional service and funeral expense reimbursement when injuries occur on the insured's premises and covers guests, tradesmen and visiting relatives regardless of legal liability.

Excluded are trespassers, employees and members of the household. The cover is written in limits of \$250 and \$500 at a one year premium rate of \$2.50 and \$5. A three year rate of \$6 and \$12 is provided.

The new cover is similar to American Auto's "occupant medical expense coverage," which is issued in connection with automobile liability. The endorsement may be attached to the O. L. & T. residence liability policy. This would be desirable in cases where the insured does not have any liability to speak of outside his residence. However, the company is adding the endorsement to the personal liability policy in order to make it more comprehensive, making personal liability similar to automobile and public liability comprehensive covers in extent of protection.

Plan Wash. Educational Work

SEATTLE—Plans for a state-wide series of educational meetings for local agents were discussed at a luncheon meeting of the Casualty Insurance Association of Washington. E. H. Alexander, Hartford Accident, will lead the work, which will be jointly sponsored by the Washington agents' association. J. Glen Liston, American Surety, explained recent revisions in the casualty manual.

Functions of the Surplus Line Association of Washington were outlined by Irwin Mesher, arbitrator.

Burrill with Beneficial Casualty

Charles F. Burrill, former manager at Seattle for the John Hancock Mutual's industrial agency, has been appointed Washington state manager for the Beneficial Casualty of Los Angeles, a stock company writing accident and health exclusively, which recently entered the state.

drivers license law in its relation to minors.

Carriers Get Time to Work Out Plan to Avert Rebating

Realistic Rating for Larger N. Y. Risks Seen as First Step

NEW YORK—In an effort to eliminate the basic condition which makes it possible to give rebates to interstate risks in New York by grossly undercharging them in unregulated states the New York department is giving casualty companies licensed here a reasonable time—it will probably take from three to six months—in which to work out a more realistic rating plan which would squeeze whatever water there is out of the rates for larger risks and thereby leave little margin for cutting the New York rates by any roundabout method.

Squarely Up to Companies

Recent imposition on five companies of substantial fines—suspended pending court review—puts the matter squarely up to the companies. Unless the courts should hold that the New York department has no right whatever to interest itself in rates charged in other states on risks also insured in New York the companies are going to face the accusation of rebating and possible fines every time they make a rate cut in an unregulated state. Naturally, the department would not be arbitrary about rate deviations in unregulated states where experience in those states justified the carrier's action. Furthermore there could be little argument about gross undercharges in unregulated states if the department's position is upheld by the courts. But there would be many cases where there could be honest differences of opinion between the department and the companies as to whether a specific rate cut in an unregulated state was justified on the basis of experience there or whether it was done to effect a New York rebate.

Compensation Plan May Be Cue

While the New York department has not indicated what method it would like to see followed, its approval on July 1 of this year of the plan of graduated commissions and expense for workmen's compensation risks and the utterances of Superintendent Pink on the subject of justifiable charges for larger risks indicate that it would probably look with favor on application to the general liability and automobile liability fields of the principles involved in the plan promulgated last July. This scheme sets up three classifications according to premium volume: up to \$1,000; \$1,000 to \$5,000; and more than \$5,000.

Furthermore, since retrospective rating has been widely and successfully used to provide more equitable rates for large compensation risks it would not be surprising to see the same principles proposed for large general and automobile liability risks.

Competitive Cuts Still Problem

Assuming that some sort of plan can be worked out which would remove any justifiable basis for circuitously cutting the New York rates on interstate risks there would still be the problem of competition, where the rate is not being cut in an unregulated state because it is felt that the rates there and in New York are unduly high but merely to beat out a competitor even though this involves discrimination against other equally good risks where competition does not happen to be a factor. While a realistic rating plan in New York would leave much less margin for deviations elsewhere

Well-Known Surety Man in Chicago Dies Suddenly



WALTER W. STEINER

Walter W. Steiner, well known surety and casualty man in Chicago, died suddenly at his apartment in the Ridgeview Hotel, Evanston, Ill., early Saturday morning. He and his wife had gone to a dinner party the night before, taken one of the guests home, returned to the hotel and seemingly Mr. Steiner was in very good shape. A few months ago he went with the Western Surety of Sioux Falls, S. D., as special agent in the Chicago office. Prior to that time he had been conducting a premium finance business on his own account. Mr. Steiner in his early surety career joined the Chicago office of American Surety, becoming assistant manager, and later went with the surety department of the Globe Indemnity in Chicago. Subsequently he became resident vice-president and manager of the Globe Indemnity. On resigning from the Globe Indemnity he became Chicago manager of the United States Casualty. When he left that company he became president of the Highway Mutual Casualty of Chicago. Mr. Steiner was regarded as an authority in surety lines. He is survived by Mrs. Steiner and two married daughters.

A few years ago he suffered a violent heart attack but by sheer determination seemingly he overcame his malady.

there would still be a strong incentive to cut rates on competitive risks.

Companies would still face a dilemma, assuming that the fines imposed on the five companies are upheld by the courts. A company would have to take a chance on violating New York's anti-rebate law or else risk losing the business to a more reckless competitor. One solution might be to set up various classifications with specified permissible rate cuts. Thus, on a certain type of risk, the rate could be cut by a certain percentage which the New York department would have agreed would not constitute rebating. From this maximum to a larger specified percentage the insurer would have to prove that the cut was justified and did not constitute rebating, while any cut beyond this figure would be regarded as being, on its face, evidence of intention to rebate.

Certain to Occupy Commissioners

The whole question is sure to receive considerable discussion at the meeting of the insurance commissioners next month. In addition to New York's desire to prevent violation of its anti-rebate law the states where the cuts are made suffer a loss of premium taxes when their rates are reduced as a means of cutting the New York rate.

The Surety Underwriters Association of New Jersey will hold a luncheon meeting in Newark, Nov. 7.

Importance of Careful Selection Is Stressed

CINCINNATI — Emphasizing the need for home office and field men to view risk selection as a joint function, C. N. Green, vice-president Hoosier Casualty, urged that accident and health underwriting be adjusted to a long range basis as an asset to sales instead of being an inescapable home office evil, a sales deterrent and therefore a sales liability. Mr. Green spoke before the Ohio Association of Accident & Health Underwriters' sales congress here.

The selection of accident and health risks is a constant problem and the manner with which it is handled extends to every department of every company. The repercussions of this risk selection problem extend also into agency offices and even beyond into the conscious and unconscious minds of the public where there are developed attitudes toward the agents and the business in general. The problem, the solution of which has such far-reaching ramifications, demands and is worthy of the very careful and long range consideration of every person in the business, Mr. Green declared.

Should Have Right of Rejection.

It is necessary to modify liberal underwriting points of view in recognition of the fact that there among the uninsured public some individuals with whom "we don't want to and should not have to do business. We should reserve the right to deal summarily, firmly, uncompromisingly, but intelligently with anybody who tries to put over a fast one on the accident and health business or anyone connected with it, but in the conduct of our business let us be equally careful that as companies we don't try to put over any fast ones on the public, that as claim men we don't try to put over any fast ones on claimants, and that as agents and salesmen we don't try to put over any fast ones on our companies or the public."

Results Depend Upon Agent

Underwriter's chickens do come home to roost and "our problem is to see that when they do that they produce marketable and negotiable eggs instead of merely smelling up the henhouse. Too many of the wrong kind of chickens already have come home to roost and I am sure we can recognize our own chickens."

Whether risk selection is a sales asset which will appreciate in value or a sales liability depends upon the agent. He establishes the first contact with the prospect for the manifold purpose of rendering him a service, acquainting him with the economic importance to him and his dependents of accident and health insurance, presenting a program of protection intelligently adjusted to meet his needs and his situation, and earning his commission as agent because he has done a good job.

Selection Depends on Agent

The home office underwriter has to make his selection from the risks selected by the agents. The ratio of rejections is predetermined to a large extent by the risk selection of the agent.

When an agent submits the application of a possible policyholder he is also submitting the application of a possible claimant and beyond that point a good or bad advertisement for the agent, company and business in general, depending upon what happens to the policyholder.

Agent Assumes Responsibility

"When an agent selects a prospect," Mr. Green said, "he assumes a responsibility to himself, to the prospect, to the company and to the accident and health business. No agent worthy of the name should shirk or seek to evade that responsibility."

When the policyholder pays a premium he receives a program of protection which the agent has recommended

for him and he is depending upon the agent's judgment that the program offered is the best one for him. He is counting upon the agent to see that there is delivered into his hands at the proper time, the money which he has been told will be available in event of sickness or accident disability to compensate him for his loss of income, and to meet abnormal expenses.

Question Agents Should Consider

When an agent submits an application to the home office he should be willing to assume the responsibility of introducing the prospect, having evaluated him from the standpoint of whether or not he is a good moral as well as a good physical risk. "Does he really need the insurance for which he is paying you a premium on which you receive a commission, or is he merely buying the insurance on a speculative basis? Have you given due consideration to his habits, character and reputation? Have you taken into account his financial situation? Is he extravagant in his living standards? Does he have a good credit standing? Is he inclined to evasion or slow payments of his debts? Is he inclined to dissipation in any form? Is he a gambler? How does he stand in his community and in the various organizations to which he might belong? Are you satisfied that he is telling the truth in the statements in his application? Have you been able to get and have you recorded in the application the true facts with regard to his physical history and his present physical condition? In short, do you know him well enough from all angles to introduce him to the home office as your friend whom you can vouch for and recommend?"

Results of Poor Selection

An agent should determine whether his selection is creating a friend for him and the company or whether it is only creating headaches in the home office, nasty situations in the claim department, law suits, enemies of the agency, the company and the business. It should be remembered, Mr. Green said, that if an agent consciously or unconsciously cooperates with his prospect to put over a fast one on the company, the eventual result is likely to be that when the prospect finds that he can't get away with it, he will turn up as a knocker, an enemy of accident and health business, whether he has any justifiable basis for his enmity or not. He will set up prejudices in the minds of others and make the agent's job harder or even impossible when he tries to do business with other prospects who may have gotten the wrong impression of the business from the poorly selected prospect.

Traffic Deaths Up 14% in Sept.

September traffic deaths were 14 percent higher than in the same month of 1940, according to the National Safety Council. Traffic fatalities totaled 3,770, compared with 3,310 a year ago. This is the 14th consecutive month in which there have been increases. However, September's increase was the smallest since January of this year, when traffic deaths were 13 percent more than the corresponding month of the preceding year. In August the increase was 23 percent.

For the first nine months traffic deaths totaled 27,860, up 17 percent from 23,750 a year ago in the same period.

The National Safety Council report expressed the opinion that the nation-wide emergency safety campaign suggested by President Roosevelt and in effect during September may have had considerable effect in slowing down the rate of increase.

Settle Large Claim in Old National Surety Liquidation

NEW YORK—One of the largest claims filed against National Surety Company in liquidation has just been settled by the New York department. Principal and interest amounted to \$455,970, in favor of the city of Detroit. It is the largest single insurance or depository bond claim ever allowed against an insurance company liquidated in this state.

Since August, 1939, J. A. Beha, former New York superintendent has represented the City of Detroit in this claim. National Surety Company, in liquidation, is distinct from the present active National Surety Corporation.

In May, 1932, Union Guardian Trust Company of Detroit secured six depository bonds running to the city of Detroit as follows: National Surety Company, \$500,000; American Surety, \$200,000; Fidelity & Casualty, \$200,000; St. Paul-Mercury Indemnity, \$100,000; Central West Casualty, \$300,000; and Guardian Detroit Union Group, Inc., \$3,000,000. In March, 1933, a receiver was appointed for the trust company, which is still in liquidation.

At the time of the receivership, the city had \$3,650,138 on deposit and, just prior to the failure, called on the sureties for payment, but none of them paid at once. National Surety Company went into liquidation June 1, 1934. Central West Casualty Company and Guardian Detroit Union Group, Inc., went into liquidation about the same time.

Referee's Award

The city of Detroit filed claim with the New York department as liquidator for National Surety Company in the full amount of the company's \$500,000 bond. Ultimately, the liquidator offered to allow \$169,673. Under order of the New York supreme court in March, 1940, the claim was turned over to Referee E. B. Butler. On June 25, 1941, the referee filed his report, allowing \$424,434.73. He also recommended that the dividends which the Union Guardian Trust Company will pay, estimated at 60 percent or over, be applied to the claim. Accordingly, the maximum amount which National Surety Company would have paid was \$169,673.89.

Subsequently, the New York supreme court held that the city of Detroit was not a secured claimant and again fixed the claim at \$24,434, with interest, and directed that all dividends of National Surety Company be paid on account of the claim, disregarding the dividends which Union Guardian Trust Company will pay. The order also held that the depository bonds were valid and enforceable to the full extent of their penalties. After the order was entered, both the city of Detroit and the liquidator of National Surety Company filed notice of appeal. The claim was fully settled by negotiation.

Interest has been computed from March 6, 1933, the day the city made demand under the bond, to June 1, 1934 and has been fixed at \$31,536. This brings the total claim allowed up to \$455,970 and the New York insurance department is paying 53 percent, with another payment of about 8 percent anticipated.

A. & H. Lines for Bankers of Iowa

Bankers Life of Iowa is now laying plans to write group accident and sickness, group accidental death and dismemberment, group hospital expense and group surgical expense coverages. The company will expand its operations into these fields gradually. Approval already has been secured in some states to write these lines.

Walter Bjorn, formerly with Connecticut General and Associated Hospital Service of New York, is the head of the company's new group department.

Iowa Auto Companies to Study Claims, Legislation

DES MOINES.—About 50 representatives of Iowa casualty companies attended a meeting here at which Commissioner Fischer discussed problems in writing automobile coverages. A. R. Nelson, president Hawkeye Casualty, was named temporary chairman and Robert Phillips, Des Moines attorney, secretary. Mr. Phillips is also secretary of the Iowa non-conference company group. The latter organization, which has been operating for four years, has no connection, however, with the newly formed group.

Discuss Rising Costs

Subjects discussed included rising costs in property damage and collision claims, compulsory automobile liability insurance and convertible collision. On the latter subject the question was raised whether the Iowa department would ban convertible collision as was done in Michigan recently.

A committee was named to study property damage and collision losses and cost and a legislative committee was instructed to look into compulsory liability and financial responsibility laws in other states because similar measures are expected to be brought up at the next Iowa legislature.

Mr. Fischer pointed out that casualty companies are faced with an increase in losses, particularly since more used cars will be operated as a result of the national emergency. He also discussed compulsory automobile liability and financial responsibility insurance.

Home Mutual to Observe 40th

DES MOINES — Elaborate plans are being made for the 40th anniversary celebration and banquet of the Home Mutual of Iowa here on Nov. 21.

Special honor will be paid to H. J. Rowe, president, who has directed the company since its organization. He was secretary until 1930 when he became president.

Between 700 and 800 agents from Iowa, Nebraska, Colorado and Kansas are expected to attend the meeting with the insurance commissioners from the same states invited and expected to attend.

George Rowe, nephew of the president and claims manager for Nebraska, will be in charge of the morning session. He will speak on "Claims vs. Sales," which will be followed by a round table discussion. Maynard Mills, Lincoln, Neb., will be in charge of the afternoon session and will speak on "Production and Sales."

James E. Gheen, New York humorist, will give the principal talk at the banquet at which Governor Wilson and other state officials will be guests.

Lloyds Wins Race Horse Issue

London Lloyds was absolved of liability under a mortality policy covering a race horse by the California district court of appeals where the animal was incapacitated for racing purposes, but not for commercial use and was not suffering such pain as to warrant destruction. The case was Donnelly vs. Lloyds.

Write Huge All-Risk Line

NEW YORK—What Maryland Casualty states was the largest premises all-risk policy ever written through its burglary department was one for \$8,880,000 issued to a large investment house in New York City, covering for one day liability for loss of destruction or damage to a securities issue in course of distribution. The line was placed by a Philadelphia broker.

McDougall Is Assistant Secretary

G. Alan McDougall, statistician of Central Surety since the company's inception, was made assistant secretary.

Indiana Casualty Lectures Scheduled

As was done last year, the Indiana Casualty & Surety Managers Association, collaborating with the Indiana Association of Insurance Agents, will put on a series of lectures for agents and clerks in the five months just ahead. H. J. Wilson, Massachusetts Bonding, secretary of the association, said that the lectures will be given mainly in Indianapolis but other towns and localities may arrange for the course with assurance of reasonable attendance.

The tentative list is as follows. In each case, the sponsoring office will be responsible for furnishing a speaker.

Dec. 15, "Boiler and Machinery Lines," Ocean Accident, W. P. Flynn, manager.

Jan. 19, "Product Liability and Property Damage," Aetna Casualty, R. C. Griswold and I. W. Sturgeon, managers.

Feb. 16, "Hidden Sales Possibilities in Automobile Manual," U. S. F. & G., Foster & Messick, managers.

March 15, "Judicial Bonds," American Surety, T. W. King, manager.

April 20, "Plate Glass Policy," New Amsterdam Casualty, David Layton, manager.

Exclude Priorities Losses Under Power Plant U. & O. Forms

NEW YORK—Sharp restrictions on new power plant use and occupancy insurance, effective Nov. 3, have been imposed by the National Bureau of Casualty & Surety Underwriters. The new rule denies liability for any aggravation of shutdown, total or partial, because of any law, order or provision regulating or restricting the supply of material, labor "or other means" needed to restore the assured's plant to operating condition.

This restriction applies to all new use and occupancy business, both boiler and machinery, and to increases of existing insurance. Business on the books before Nov. 3 is not affected.

This is the first time that loss caused by the operation of priorities or allocations rulings has been excluded from any use and occupancy coverage, fire or casualty. Undoubtedly, many use and occupancy schedules had been increased with this fear in mind and underwriters were fearful of being overloaded with this coverage.

The curb applies also in Canada.



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NEW ORLEANS • NEW YORK • PHILADELPHIA • PITTSBURGH • SAN FRANCISCO • SEATTLE

CHANGES IN CASUALTY FIELD

Howay in Charge of Coast Office of Conn. Indemnity

SEATTLE—Harry Erdman, assistant secretary of Connecticut Indemnity at the home office, while in Seattle appointed Tom C. Howay as Pacific Coast casualty department manager, with headquarters in San Francisco at 250 Sansome street. He will be associated with E. V. Oliver, manager of the Pa-



TOM C. HOWAY

cific department of the Security of New Haven group.

For several years Mr. Howay has been assistant vice-president of Northwest Casualty in charge of underwriting and production. He was born in Seattle in 1901. He entered the University of Washington in 1919 after completing his preparatory education at Moran's School on Bainbridge Island. After two years of work in the college of business administration at the university, he returned home to help his father in his hardware store, and a year later moved to Seattle as an inspector for Northwestern Mutual Fire. In 1924 he was promoted to manager of its automobile department. He assisted in the first operations of Northwest Casualty, which was founded in 1928, and three years later was moved to San Francisco as agency supervisor for it and Northwestern Mutual Fire. In 1934 he became casualty manager for California and Arizona, and in 1937 returned to the home office as assistant vice-president. Mr. Howay took over his new duties as Pacific Coast manager of Connecticut Indemnity Nov. 1.

National Surety Newark Change

National Surety has appointed John O'Hea as Newark manager, succeeding

McDonough Supervisor in Iowa for American Auto

Thomas B. McDonough has been appointed supervisor of Iowa, at Des Moines, by American Automobile, succeeding Chapman Jones, who has gone to the production division of the home office liability department. Mr. McDonough has been special agent at Kansas City for the past year and prior to this had been an automobile underwriter. He is a native of St. Louis, attended St. Louis University, and joined the company in 1928.



T. B. McDonough

the late H. B. Hodge. Harry Meyborg becomes assistant manager succeeding Mr. O'Hea. Mr. O'Hea entered the service of National Surety in New York in 1928 and was transferred to Newark as assistant manager in 1933. Mr. Meyborg has long been associated with the Newark branch office in the handling of burglary and commercial lines and is well known throughout the state.

Casualty Mutual Names Production Manager

Harger Rollo this week was appointed production manager of Casualty Mutual, assuming the duties heretofore handled by John J. Heelan, who has been placed in charge of underwriting. Mr. Heelan will maintain his contacts with the agency force. Mr. Rollo will travel Illinois, contacting agents and brokers, and also Indiana, where Casualty Mutual is setting up an agency plant.



Harger Rollo

He is a native of Chicago who attended Westminster School, Linsbury, Conn., and Yale. He went with Lumbermen's Mutual Casualty in 1935, being assigned to Detroit, and in 1938 was placed in charge at Grand Rapids. Last year he was transferred to Chicago in a senior sales capacity.

W. L. Pierce, Jr., Resigns

W. L. Pierce, Jr., has resigned as special agent of Aetna Casualty in Richmond, Va., to go into the local agency business in Norfolk. He is a son of Maj. W. L. Pierce of Christiansburg, a former president of the Virginia Association of Insurance Agents.

Opens Detroit Service Office

American Casualty has opened a service office at 623 Penobscot building, Detroit. Kenneth M. Lowe, special agent for Michigan, is manager and G. M. Foster, formerly at Cleveland, is servicing claims in the area.

Clarence Glenn's Change

Clarence Glenn, who has been superintendent of the bond department of the metropolitan office of Standard Accident, 111 John street, New York, has now become general agent of the Standard and established an office at 250 Park avenue.

COMPENSATION

Preventive Work Pays Good Return

In developing the importance of industrial health precautions before the American Conference on Industrial Health in Chicago, B. E. Kuechle, vice-president and claims manager Employers Mutual Liability, pointed to the successful correction of the occupational disease problem in Wisconsin to show what can be accomplished through preventive methods. Although Wisconsin's occupational disease law has been in effect since 1919, it was not until the depression that the claim epidemic began on occupational diseases. Prior to the early 1930s claims were slight and were not even reflected in compensation insurance rates. However, by 1934 rates for all industries had been increased 56 percent over the original rates of 1911. The situation became so acute that it was necessary to take steps to prevent

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OGDEN DAVIDSON
UNITED STATES MANAGER

CHARLES A. BARKIN
U. S. ASSISTANT MANAGER

United States Branch

FINANCIAL STATEMENT DECEMBER 31, 1940

ADMITTED ASSETS

U. S. Government Bonds	\$2,385,115.18
Other Bonds	1,504,386.53
Stocks	134,836.00
Other Assets	867,741.15
Total	\$4,892,078.86

LIABILITIES

Reserve for Claims	\$ 913,754.96
Reserve for Unearned Premiums	1,032,267.02
Reserve for Other Liabilities	201,325.19
Voluntary Contingency Reserve	244,731.69
Statutory Deposit with New York	\$ 850,000.00
Net Surplus over Deposit	1,650,000.00
Policy Holders' Surplus	2,500,000.00
Total	\$4,892,078.86

Bonds and Stocks are valued in accordance with requirements of New York State Insurance Department and National Association of Insurance Commissioners. Securities carried in above Statement at \$1,326,147.25 are deposited as required by law.

On the basis of December 31st, 1940 for all bonds and stocks owned this Company's total admitted assets would be increased to \$5,088,897.15 and Voluntary Contingency Reserve to \$441,549.98.

All Assets in this Statement are held, in their entirety, for protection of United States Branch of the Company and its Policyholders and Creditors.

INVESTED ASSETS

59.27% U. S. Government Bonds
37.38% Other Bonds; 3.35% Stocks



their occurrence in the future. As a result of preventive measures taken the silicosis situation is under complete control in Wisconsin and insurance rates have decreased from a peak of 56 percent over the 1911 rates in 1934 to only 26 percent at present. In stressing the importance of safety and health work, Mr. Kuechle said compensation and medical payments represent only 1/5 of an employer's total accident and sickness costs.

Indiana Doctors Publish Occupational Disease Book

Of interest to claim men and the lawyers, doctors, and executives of companies writing workmen's compensation will be a book, "The Essentials of Occupational Diseases," by Drs. Jewett V. Reed and A. K. Harcourt, published by Charles C. Thomas, Springfield, Ill. The authors have been practicing industrial medicine and surgery for the past 30 years in Indiana. The book is in reference form and includes the latest and most expert professional opinions available on all occupational diseases on record.

The book is concise, apparently well documented, and is not unduly technical. It treats the disease hazards and manifestations which are possibilities in particular industries and industrial processes. Each disease is considered with regard to its occurrence, symptoms, diagnosis and treatment.

California Rate Hearing Nov. 13

SAN FRANCISCO—A public hearing on the proposed manual revision of compensation rates for 1942 has been called by Commissioner Caminetti for Nov. 13 in the office of the department here.

ASSOCIATIONS

Ohio Association Hears Fogle

At the monthly meeting of the Ohio Association of Casualty and Surety Managers in Columbus Tuesday, Dr. Allan Fogle of the department of agriculture of Ohio State University discussed the new livestock dealers bond regulations. Frank R. Middleton, president of the association, announced his committees.

To Show Army Film

DES MOINES — D. Wesley Barns, president of the Des Moines Casualty & Surety Club, announced that a sound motion picture, "Army on Wheels," will be shown at the luncheon Nov. 10. It shows how the United States cavalry has been transformed into mechanized units.

Okla. Claim Men Hear Lafon

OKLAHOMA CITY — F. F. Lafon, manager Oklahoma Compensation Rating Bureau, addressed the Oklahoma City Claim Men's Association at its monthly meeting on the purpose of the bureau and pointed out how perfectly its functioning dovetailed with the work of the claim men. About 30 members were present.

Oregon Adjusters Group Grows

PORTLAND, ORE.—Cliff Beckett, secretary of the Oregon Casualty Adjusters Association, reports a large increase in membership. The study course being held in connection with monthly meetings is considered a drawing card.

The annual banquet will be held Nov. 17. Guests of honor will be Mayor Riley of Portland and Secretary of State Earl Snell.

D. K. MacDonald of Carter, MacDonald & Co., Seattle agency and brokerage firm, has been elected a director of United National Corporation, holding company which controls United Pacific of Seattle.

FIDELITY AND SURETY

Checking Financial Status for Surety Requires Tact

In establishing the desirability of surety bonds by checking the financial condition of the principal, the special agent on the job must exercise considerable tact. H. Everett Charlton, Seyler-Day Company, Los Angeles, said in a talk before the Casualty & Surety Fieldmen's Association of the Pacific Southwest. One of the considerations for writing a bond is that a financial statement be secured from the principal and signed by him. The taking of this financial statement should be made as easy as possible by having a general discussion of his financial position with the principal and transcribing each bit of information, as given, to the form.

Applicant's Answers Disorganized

The average applicant for a bond should not be expected to understand the form to the extent necessary to quickly make a proper financial statement, Mr. Charlton declared. Therefore, the special agent should be able to skip from place to place in the form quickly and insert the assets and liabilities where they belong. At the end of the general discussion, the document will then be in shape for signature and should be presented to the principal at this time rather than later.

The agent, many times, knows the principal so well that he is hesitant to ask him to fill out a financial statement, but the special agent has no such feelings. Through conversation with him the principal signs without any hesitation and no one has to ask specifically for a financial statement. Experience has shown that men approached on this basis, even though they are not in the habit of furnishing statements, are proud to tell of their successes and enumerate the property they have accumulated indicating that success.

Bond Rates Adjusted on Defense Contracts

Under a rate revision worked out with the Towner Rating Bureau, rate making organization for surety companies, a considerable saving will be made on performance and payment bonds required on defense housing and public works contracts under the Lanham act, the

Federal Works Agency reports. The new rates applying to contracts of less than \$2,500,000 are as follows:

"On lump sum contracts, \$10 per \$1,000 on contract price.

"On cost-plus-a-fixed-fee contracts, \$3 per \$1,000 on the cost to the owners, excluding contractor's fee, with a maximum premium of \$30 per \$1,000 on penalty of payment bond.

"These rates represent a reduction of 33½ per cent on lump sum contracts

and 25 per cent on cost-plus-a-fixed-fee contracts."

The reduced rates were made effective as of Monday.

Units of the F. W. A. authorized to use this plan in defense construction include Public Buildings Administration, United States Housing Authority, Division of Defense Housing, Mutual Ownership Defense Housing Division, Defense Public Works Division.

Seattle Election in December

The Surety Underwriters Association of Seattle will elect officers at its De-



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FIRST IN CHICAGO—YEAR 1833 WOLF'S TAVERN

SITE OF PRESENT LAKE & MARKET STREETS

NO MENACING DRAM SHOP LIABILITY LAWS
IN THOSE DAYS

NOW—THE OWNER OR TRUSTEE OF EVERY BUILDING
IN WHICH LIQUOR IS SERVED
BE IT TAVERN, CLUB OR RESTAURANT, ALSO THE
TAVERN KEEPER

FACES FINANCIAL RUIN

THE SUREST PROTECTION IS INSURANCE
FOR LOWEST RATES—MOST LIBERAL CONTRACT
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Near the Falls of Minnehaha
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ANCHOR CASUALTY COMPANY

SAINT PAUL
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A Theft Insurance Policy for the HOME Everyone Can Afford



THE COST IS GREATLY REDUCED IF
YOU LIMIT JEWELRY, SILVERWARE
AND FURS TO \$100 PER ARTICLE



cember meeting. Last week a talk on the first four months of operation of the Surplus Line Association was given by Irwin Mesher, arbitrator. An open forum followed.

Surety Claim Men's Forum

NEW YORK—"Evidence in Dishonesty Losses" was the subject discussed at the gathering of the surety company claim men's forum, at which W. L. Flynn, National Surety, presided. At the next meeting, Nov. 9, E. W. Fields, United States Guaranty, will talk on "The Value of a Confession as Evidence in Dishonesty Losses" and H. R. Reddy, Travelers Indemnity, on "Burglary Claim Procedure." Launched a short time ago under the auspices of the Insurance Society of New York, membership in the forum is restricted to salaried claim men of surety companies.

PERSONALS

Thomas Hook, who is retiring Dec. 1, as superintendent of Standard Accident's accident and health department, is planning an active life at his home in Marine City, Mich., 50 miles north of Detroit. He enjoys gardening and he expects to be busy taking care of his vegetables and flowers as well as general puttering around his home. Mr. Hook attended the Accident & Health Insurance Week general committee meeting in Cincinnati last week.

E. B. Fuller, vice-president Loyal Protective Life, after attending the Accident & Health Week general committee meeting in Cincinnati last week, started out on an agency tour which will take him to Portland, Ore., before he returns to Boston.

Arthur Eagle, Seattle manager of American Bonding, has returned to his desk this week after an absence of three weeks. He suffered from a severe cold which developed into bronchial pneumonia.

Vice-president L. P. Gregory has been awarded a 30-year service medallion for his service with Reliance Life, which he joined in 1911. His first title was superintendent of the disability department. He was elected accident secretary in 1914, vice-president in 1926, and a director in 1935. He started his insurance career with United States Casualty shortly after graduation from Cornell in 1901.

Walter M. Ivey was honored for his 25 years of service as manager of Monarch Life in Pittsburgh at a banquet and dance Nov. 1. The anniversary program also included a luncheon and an agency meeting. Clyde W. Young, president of Monarch Life, presented Mr. and Mrs. Ivey a set of silver serving trays. Other home office officials present included F. S. Vanderbrouk, executive vice-president; Col. J. W. Blunt, vice-president; Francis L. Merritt, vice-president and agency

manager, and Alan W. Crowell, assistant agency director.

DEATHS

E. A. Ford, 69, district manager of Kentucky Central Life & Accident, with which he had been associated 35 years, died at his home in Louisville after several months' illness.

Fred W. Smith, well known local agent of Toledo, O., conducting his business under his own name, dropped dead on his estate near that city Monday. He

was general agent of Continental Casualty and Continental Assurance of Chicago in northwest Ohio. He had been associated with the Continental Casualty for about 25 years.

State Farm Rally in Nebraska

LINCOLN, NEB.—The State Farm companies are holding a convention for Nebraska agents here Nov. 14-15. V. R. Hoover, assistant insurance director, Lincoln, will preside. J. H. Parsons, director of conservation, will speak on "The Unanswerable Question"; W. H. Tompkins, agency vice president, "What

Make Sales Possible," and E. A. Tyler, insurance director, Lincoln, will close the meeting. At the banquet N. R. Mohar, district agent, will be toastmaster and Mr. Tompkins will trace the companies' 14 years of progress in Nebraska. At the business sessions a number of local agents will talk and panel discussions covering various aspects of the business will be presented.

The Newark branch office of Standard Accident will hold a one-day regional meeting Nov. 14. There will be a luncheon and dinner in the evening.



CHECK YOUR CLAIMS

FOR
*broken car windows
and windshields*

He's rounding the edges of the glass to prevent pinching when it is installed in the channel.

● Are there many "repeaters" among the claims you are getting for broken automobile glass? Far too often, repeat claims are due to the method used in preparing and installing automotive replacement glass.

Repeat claims are something that a good glass shop can help you reduce. Libbey-Owens-Ford Authorized Dealers are equipped and able to make glass installations that keep your policyholders happy.

Of course, there's a big difference in glass, too. For strength, and clear vision, specify L·O·F Hi-Test Safety Glass.

For cars that are equipped with plate glass, you'll want plate glass installed—L·O·F Hi-Test Safety PLATE. This glass is ground and highly polished to give maximum freedom from distortion, so car drivers and passengers get greater seeing comfort. They have the added safety which comes with clearer vision and less eye fatigue.

You can trust your local L·O·F Authorized Dealer to give you the quality of glass and workmanship you are paying for. Your repeat claims will be reduced and you'll be sure of having satisfied policyholders.

WANTED

Compensation Underwriter. Would prefer man with at least two or three years experience and background of bureau training. Salary commensurate with qualifications. Lumbermen's Mutual Casualty Co., 4750 Sheridan Road, Chicago, Ill.

WANTED

Investigators and adjusters by large stock casualty company. Will consider young attorney. Give complete data. All replies treated strictly confidential. Address Box O-49, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

WANTED

Accident and health producer for a leading Akron Agency. Must be able to deal with executive type prospect. Salary and Commission. State age, experience, salary expected. Address Box O-47, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.



LIBBEY · OWENS · FORD
HI-TEST *Safety Plate* GLASS

ACCIDENT AND HEALTH

H. & A. Conference Holds Successful Regional Parley

CINCINNATI—The Health & Accident Underwriters Conference held one of its most successful regional meetings here with a record attendance. These gatherings are always marked by a liberal exchange of ideas and opinions. Arrangements were made by the chairmen, W. G. Alpaugh, vice-president, and J. W. Scherr, Jr., assistant secretary, of Inter-Ocean Casualty. Mr. Alpaugh is chairman of the conference's executive committee and Mr. Scherr has been exceptionally active in the agency management committee's functions.

J. W. Scherr, Sr., president Inter-Ocean Casualty, welcomed the guests. C. Norman Green, vice-president Hoosier Casualty, talked on "Problems of Cancellations, Non-renewals and Waivers." D. G. Trone, secretary-treasurer Indiana Travelers Assurance, was unable to attend and Mr. Green read his paper discussing recent trends in hospital insurance. C. H. Davis, Chicago, eastern railroad department manager Pacific Mutual, substituted for James E. Powell, agency vice-president Provident Life & Accident in discussing full coverage accident and health insurance. Harold R. Gordon, conference executive secretary, closed the morning session.

Considers Defense Situation

In the afternoon E. B. Fuller, vice-president Loyal Protective, spoke on "Defense Program and its Effect on Accident and Health Insurance." The development of more full-time producers was covered by W. B. Cornett, Columbus, O., superintendent of agents, Loyal Protective. O. F. Davis, assistant agency director Illinois Bankers Life, substituted for H. P. Skoglund, president North American Life & Casualty, who was unable to attend, and led the discussion on "Women as Agents and Prospects." T. T. McClintock, field service assistant Ohio State Life, discussed "Will Restrictions on Installment Sales Mean a Broader Field for Recruiting Accident and Health Agents?" W. E. Kipp, assistant secretary of the Indemnity of North America, gave some suggestions about over-age policies with Frank White, Globe Indemnity, participating in the discussion.

Anderson Speaks in Cincinnati

Max Abrams, Cincinnati general agent Occidental Life of California, held a luncheon for his agency staff in connection with the Ohio Association of Accident & Health Underwriters' sales congress here. A. D. Anderson, accident and health supervisor, Chicago, spoke.

Are Nursery School Pupils "School Children?"

The scramble among accident and health writing companies to get in line on the reduction of age limits for accident insurance is progressing to a point where soon there may not be any minimum age limit at all.

Some of the companies have worded their announcements so as to include "school children." In most cases this has been interpreted to include all those down to kindergarten age, which is usually 5 years. However, some producers contend that even those attending pre-kindergarten or nursery schools, running down as low as 3 or 4 years, are "school children." At least two cases have been written in Chicago below the 5-year minimum, for children of 3 and 4 years of age respectively.

A. & H. Week Plans Are Now Under Way

CINCINNATI—Preliminary plans for an extensive observance of Accident & Health Insurance Week, March 23-28, 1942 were approved at a meeting of the general committee here. Enthusiastic response was given the new designs for posters, window displays, letter-heads and stickers. Samples of a new "68" button and a series of six envelope stuffers were distributed.

The agents sales program will center around the idea of telling 68 prospects what "68" means to them during Accident & Health Insurance Week, with a special folder in which the agent lists prospects of various occupations. During the week of the drive Monday will be devoted to calling on professional men; Tuesday, public officials; Wednesday, big business men; Thursday, retailers; Friday, community service executives, and Saturday, neighbors and friends.

Plan Association Cooperation

Special attention will be given toward getting local units of the National Association of Accident & Health Underwriters to cooperate in the week's observance. A special contest will be conducted, details of which will be announced later. Associations are to be furnished a limited supply of posters and window displays. A booklet of suggestions for associations' participation will be issued. One plan which was discussed in detail was the selection of a typical American family in each community.

Several plans were approved for securing publicity articles from nationally known economists on the value of accident and health insurance to the nation's economy. The economic charts which have proven popular in the past will be continued again in 1942.

Extend Trade Paper Advertising

The trade journal advertising program under which various companies donate space will be expanded in 1942. The committee's advertising agency will draft copy plans for these advertisements which will start in January.

Production will start immediately on all promotional material which will be ready to present at the general committee's next meeting in Chicago in January. Material again will be distributed through THE NATIONAL UNDERWRITER sales organization.

Harold R. Gordon, general chairman, presided at the Cincinnati conference which was attended by 15 members from various sections of the country.

SELECT NATIONALLY KNOWN ARTIST

R. Wilson McCoy, nationally known illustrator, has been commissioned to do a full color poster for Accident & Health Insurance Week. He is famous for his national magazine covers, Shell Oil calendars and Dr. Pepper posters. He will select his conception of "the ideal girl model" to pose for a natural color poster to be done in his original airbrush technique.

The use of a nationally known artist and model to create a striking A. & H. Week poster is part of an elaborate program to be announced later.

George Neale Joins Lebby

LOS ANGELES—William E. Lebby, state manager of Massachusetts Indemnity, has increased his office personnel by the employment of George Neale, one of the well known disability underwriters of Los Angeles.

Mr. Neale has been with the W. I. Hollingsworth Co. general agency. He is a graduate of the University of Oregon, and has been in the insurance business for a number of years. He started with his father as an agent of Ocean Accident in San Diego. Following that he was for two years with the William

Olson & Co. agency in Pasadena, going from there to the Hollingsworth office, where he has been in charge of the accident and health department for the past four years.

Walters to Speak in Boston

F. M. Walters, General Accident, Philadelphia, chairman of the public relations committee of the National Association of Accident & Health Underwriters, will address the Boston Accident & Health Association Nov. 13, on the importance of public good will and the possibilities in public relations activities.

Ritter Joins National A. & H.

Harry E. Ritter, Jr., has joined the home office claim department of the National Accident & Health of Philadelphia. Since graduation from college in 1932 he has been actively engaged in insurance work as agent, manager and adjuster. For the past five years he has devoted practically all of his time to claim work.

He is a son of Harry E. Ritter, who for many years was with the complaint and claims division of the Pennsylvania insurance department.

Continental Cuts Age Limit

In line with similar action taken by other companies, Continental Casualty has reduced the minimum age limit for its "new era" accident policy to age 5. The premium for \$5,000 dismemberment and \$500 reimbursement is \$18 for male and \$15 for female. With \$1,500 reimbursement, the figures are \$24 and \$20. Subject to insurable limits, a small amount of capital sum may be added.

New Hospital-Surgical Form

National Travelers Casualty of Des Moines announces a new hospital and surgical expense policy. It pays set monthly reimbursements in event of accident, and allows extra benefits for op-

erating room, anesthesia, x-ray and ambulance. An operation schedule is provided.

C. L. Aronson has been named agency supervisor of the downtown Minneapolis agency of North American Life & Casualty under C. Osterberg, manager.

The Capital Life & Health of Columbia, S. C., has just occupied a new home office building. It writes life, health and accident and hospitalization insurance.

Central Surety Shows All Round 9-Month Gains

The net premiums in the first nine months of 1941 for Central Surety were \$4,622,036, an increase over 1940 of \$834,422. Admitted assets have reached an all-time high of \$9,331,708, a nine months increase of \$854,156. Substantial increases were registered in the amount of cash and bonds carried, claim reserves, premium reserves and miscellaneous reserves. The surplus was \$2,292,494, an increase over the comparable period of \$70,567. A quarterly dividend of 40 cents per share has been declared, payable Nov. 15 to stockholders of record Oct. 31, 1941.

Subscribe to **Accident & Health Review**. \$2 year. 175 W. Jackson Blvd., Chicago.



**NO STONE LEFT
Unturned**

It is a tradition with the Pennsylvania Casualty Company to give attention to the seemingly unimportant things. Unusual requests or questions from agents and policyholders alike are answered in the true spirit of service.

This desire to serve better has been largely responsible for the steady progress made during the past 22 years.

The increasing patronage of thousands of agents certainly reflects the merit of the Pennsylvania Casualty Company.

**HEALTH ACCIDENT
GENERAL LIABILITY
AUTOMOBILE**



**PENNSYLVANIA
CASUALTY COMPANY**
LANCASTER PENNSYLVANIA

**No
Business
Direct**



**NATIONAL SURETY
CORPORATION**

VINCENT CULLEN
President

Convincing Story of A. & H. in Action

(CONTINUED FROM PAGE 19)

Salesmen must recognize that the old way of selling is gone forever.

Urging agents to give the prospect specific reasons for buying, Mr. Coffman suggested selling \$1,000 accidental death coverage as a cleanup fund and an additional \$1,000 for adjustment fund to give the beneficiary \$85 per month for one year so that she can adjust her plans, and an additional \$5,000 for educational coverage which will pay \$50 per month for 100 months to help see the children through high school. The agent should also set up a proper amount of weekly or monthly indemnity to insure a part of his prospect's earning loss sustained while he is away from work.

Outlines Association Activities

In discussing association activities, Mr. Coffman emphasized the need of educating both agents and public to foster a better understanding of the business. He outlined the objectives of the Ohio association, which include placing the business on the highest possible plane of service to humanity, promotion of safety measures, public education, training of agents and legislative work. Mr. Coffman outlined the association's success in securing the \$1,800 annual top limit on persons eligible for benefits under Ohio's new medical service bill.

An instructive paper on coping with the national defense situation in agency building was presented by Harold R. Gordon, executive secretary Health & Accident Underwriters Conference.

Greater cooperation of both company men and agents on the problem of risk selection was urged by C. N. Green, vice-president Hoosier Casualty.

Numerous Sales Ideas

Numerous sales ideas were presented in a panel session by members of the Columbus association. Chairman C. A. Sholl, Globe Casualty, acted as the prospect. Presentations were given by Charles Pugh, Loyal Protective; S. Glenn Moyer, North American; A. Brasseur, Jr., Monarch Life; W. B. Cornett, Loyal Protective; and E. W. Welton, Business Men's Assurance.

Mr. Pugh presented a cold canvass approach in which he demonstrated how income and expenses parallel each other until the prospect becomes disabled and then expenses sky-rocket. Whether the prospect is well and working or flat on his back in bed, there are certain fixed expenses that have to be met, Mr. Pugh pointed out.

In showing how he approaches a prospect to whom he has previously sent a letter saying that he was going to call, Mr. Cornett emphasized the need for qualifying himself as able to handle the prospect's needs. In pointing to the importance of protecting earnings, Mr. Cornett said: "The amount of money you are going to receive in the future is dependent upon your time and energy. You have control of your energy but who has control of your time? If the time element ceases, the tag is blown right off those future dollars."

Protect Ability To Work

Pointing out that the prospect has but two assets, the money he is earning and the money he has saved, Mr. Brasseur urged the protection of "your ability to work and earn money." Mr. Moyer demonstrated how he calls on friends of disabled policyholders. He points out that if the prospect insures his home and automobile, which can be replaced, it is only logical that he insure his healthy body which is his most important possession.

In presenting several closes, Mr. Welton brought out that plans for disability income must be arranged before disability commences. He also tries to get action by getting the prospect to decide whether he wants to pay premiums on

an annual or semi-annual basis. He tells the prospect to sign the application the way he wants it to appear "on your income checks."

J. A. Eggers, Inter-Ocean Casualty, president Cincinnati Accident & Health Association, did an able job as presiding officer.

At the hospitality banquet C. L. Gurney, Mutual Benefit Health & Accident, Cincinnati, president-elect of the Ohio association, was toastmaster. Mayor Stewart of Cincinnati commended accident and health men in their efforts to enable people to take care of themselves through their own efforts. Insurance Superintendent Lloyd expressed hope for the new era which will follow the international crisis. Mr. Lloyd declared that no insurance program is complete without accident and health insurance.

Guests who were introduced included Virgil Martin, Columbus, executive secretary Ohio Association of Insurance Agents; J. S. Drewry, Cincinnati, president, and Homer Trantham, executive secretary Insurance Federation of Ohio; Judd C. Benson, Union Central Life, Cincinnati, president Ohio Association of Life Underwriters; W. G. Alpaugh, vice-president and secretary Inter-Ocean Casualty and executive committee chairman Health & Accident Underwriters Conference, and Clyde E. Dalrymple, Preferred Accident, Milwaukee, president National association.

At its business meeting the Ohio association approved a new constitution and by-laws similar to the one adopted by the National association at Los Angeles. The name was changed to conform with the new national association name and an executive secretary was named to replace the secretary. Special attention is being given to legislation by the Ohio association and a special conference was held by the executive committee to formulate a program for the coming year.

War Situation Challenge to Agency Executives

(CONTINUED FROM PAGE 19)

tween his decision to enter the business, the taking of the examination and finally obtaining his license. In one state this period runs from two to four months and any agency supervisor will attest the impossibility of building agency material with such a waiting period.

Another danger from too restrictive requirements of some qualification laws is the prospect of a deterioration of the agency system by the lack of new agency blood of the right character. "If the American agency is to survive, and many believe it is now on trial, it must constantly replace those who leave its ranks by young men who have the energy, enthusiasm and the ability to do a creative job of selling."

In offering a solution to the difficulties of written examination requirements of qualification laws, Mr. Gordon suggested a provisional temporary license. Although some state insurance departments may object to a temporary license because a person may enter the business to secure a certain line of coverage, this objection does not apply to the accident and health line. Temporary accident and health agents cannot make a killing in three or six months.

Grant Provisional License

"It seems to me, therefore, that if a man is desirous of entering our line of business, if he understands the basic principles of the coverage he intends to sell, the practical procedure would be to examine him upon those principles and grant a provisional or probationary license, requiring at the end of a three or six months period an examination which would be based both upon a study of the business and the experience gained by actually participating in the sale of the insurance," Mr. Gordon suggested.

The practical knowledge so gained by a new man will not only give him a better training in fundamentals than any application of book knowledge would

Dependable Insurance Service

plus

Aggressive Selling Assistance

A multiple-line stock casualty company which offers financial strength—prompt claim service—up-to-the-minute sales and advertising aids—standard policies. It will pay you to investigate The Buckeye Union, an aggressive company for aggressive agents. Writing Automobile, Plate Glass, Burglary and Public Liability.

A Stock
Company

The
Buckeye Union
Casualty Co.
HOME OFFICE
Columbus, Ohio

Territory in
Ohio and
Indiana

In Prospecting
the Magic Word is
"NON - CANCELLABLE!"

Provident's new COMPLETE PROTECTION Plan gives Fieldmen that magic entree, finds prospects eager and willing to listen.

COMPLETE PROTECTION combines the benefits of Life Insurance with those of Non-Cancellable Disability, guaranteed renewable to age 65.

PROVIDENT
Life and Accident
Insurance Company
Chattanooga—Since 1887—Tennessee

give, but would also improve the building of the business by a thorough testing of the man's stamina, energy and ability to sell. No state qualifies an automobile driver by passing an examination based upon knowledge of driving obtained from books, neither can an insurance salesman's competency be determined by a written examination based solely upon book knowledge.

Recognize Need for Training

Accident and health companies have long recognized the need of better trained salesmen and many companies have in operation a program of training and education that will have an important bearing upon agency building in the future. The National Association of Accident & Health Underwriters and many local groups have formulated educational programs which will mean a fuller understanding and development of the business.

Although the war situation will tend to reduce the number of agents in the field, the remaining will be better trained and informed salesmen, Mr. Gordon predicted. Training and education, particularly of the men coming into the ranks is the keynote of agency building "so that even with a lesser number of agents we can do a better job for the public, increase the per capita production of each man in the field so that he may serve a greater number of policyholders, and, incidentally but very important to each agent, increase his personal income."

To continue the production achievements of the accident and health business with fewer agents and the prospect of no appreciable gain in number, every agency supervisor must devote his energy toward a more efficient production of business per agency unit. This can only be accomplished by more intensive training not only for new agents, but a constant course of instruction for old men, Mr. Gordon concluded.

COMPANIES

American Surety Has Increases as of Oct. 1

The American Surety as of Oct. 1 shows assets \$28,613,429, of which \$8,235,000 is real estate, \$4,935,934 bonds, \$1,060,927 preferred stocks, \$3,527,484 common stocks, \$2,551,771 subsidiary companies. Its cash on hand is \$6,212,087. Premium reserve is \$6,565,475, loss reserve \$4,063,949, capital \$7,500,000, net surplus \$6,903,842. Compared with the same period a year ago, the premium reserve increased \$5,319,073, the net losses decreased \$436,249. After providing for all reserves and deducting dividends of \$375,000 paid on July 1, there was added to surplus \$1,001,919.

Aetna Casualty's Business Showing Substantial Gains

Aetna Casualty & Surety is showing a very substantial gain in business for the year so far, largely as the result of defense contracts, according to C. G. Hallowell, vice-president.

However, nearly all the company's territories show a gain in regular business. Increases are particularly noticeable in the personal accident, automobile, surety, compensation and liability lines, with a modest increase in burglary. Fidelity and plate glass is about even with last year, he states. Defense business in casualty lines consists largely of compensation and liability. The new com-

prehensive liability forms have sold readily and have added to premium income.

On top of a substantial increase in automobile business last year, this department is again showing good gains in premiums. This demonstrates, he said, that the various automobile PL & PD rating plans introduced in the past few years have had a favorable effect on production.

The company has done even more sales work this year than before, holding 36 sales meetings attended by approximately 3,500 agents. It has improved its risk analysis and survey facilities, and these departments in many of the offices over the country are producing a larger volume of business.

Record Attendance Marks Mass. Rally

(CONTINUED FROM PAGE 3)

Smith, Haverhill; Myron C. Stimson, Greenfield; Robert A. Sullivan, Boston; Robert M. Kelley, Hyannis, and Leo R. Mongeau, Lowell.

Robert B. McGaw, president Hampden Savings Bank of Springfield and chairman of the insurance committee of the National Association of Mutual Savings Banks, got the peak audience and attention at the regular convention sessions. Mr. McGaw outlined the kind of care and attention he looks for in the presentation and handling of his insurance business, but his chief point was that in his belief, the duty of the agents went much beyond that. He looks to the agent to represent the client's interest in helping to obtain better and broader coverages at reasonable cost whenever experience seems to indicate them.

Discriminatory Arrangement

Mr. McGaw said there were 550 savings banks in his organization with \$5,000,000,000 in mortgages on property worth much more than that. To these banks, he said, the present HOLC insurance arrangement seems discriminatory because the banks could not get the 25 percent reduction allowed to the HOLC for inspection and service. He said that he had never heard of any agent protesting against this discrimination. He did not criticize the HOLC for making the arrangement, as he thought the loss ratios justified the procedure. But he believed there is something wrong when 192 savings banks in Massachusetts with more than a billion dollars of property found that a government agency could get a rate not available to the bank group.

Mr. McGaw said he objects to agents insulting his intelligence by suggesting that the banks require extended cover for their own protection. He thought the amount required for use of the cover was excessive and said that windstorm should not be mandatory for more than 50 percent of value.

Requirement Prohibitive

A few years ago the coverage requirement for errors and omissions was 25 percent of the amount of mortgage holdings, he said, but the proportion after negotiation has been reduced to 10 percent. The requirement is still prohibitive, he said, and for three years attempts have been made to get some action from insurance rating bureaus without result.

Mr. McGaw expressed doubt that very many agents had been protecting their clients who had coinsurance by calling attention to the fact that in the last six months residence building costs have gone up 9 to 11 percent, apartment costs from 5 to 9 percent and commercial factory building costs from 6 to 10 percent. He asked: "What voluntary action have agents taken to protect the buyer who has a coinsurance clause? Will the agent wait until the peak of cost rise before going to his customers to advise them about being coinsurers and subject under rising cost to a larger proportion of any possible loss?"

Bickering Doesn't Help

Bickerings between bureau and non-bureau companies lend no credit to insurance, Mr. McGaw declared, citing competitive fear between the groups as reasons given for failure to make changes. He has been advocating experience rating for O. L. & T. in Massachusetts so that good managers of property could be rewarded and poor managers penalized. He expressed surprise that O. L. & T. rates are weighted with part of auto liability and workmen's compensation costs. By failure to act upon legitimate demands of property owners, Mr. McGaw said the stock companies were inviting further invasion of their premises by other types of carriers.

For years, McGaw said, the Surety Association of America stood out against any change in its handling of bankers' bonds. After 235 of the 550 banks in his own organization, as well as many others, had left the companies belonging to this association to buy insurance elsewhere, the association revised its contract, adjusted its rates and had made more and more concessions. It has made experience rating available to even the smallest banks. Prior action, he said, could have saved the business.

Word for Company's Rights

Mr. McGaw was caustically critical of insurance buyers who take advantage of companies in loss settlements and equally critical of a system which allows independent adjusters to get settlements seemingly favorable to these buyers. He said he never did understand how these adjusters were able to get these settlements and for his part, he would abolish them from the business. He believes that business organizations should educate the insurance buyer to respect the company's rights also.

Agents should be the spearhead of effort to get improved conditions for their clients, he more analytical in examining their total service to the public and more articulate and emphatic in presenting the need of change.

He commented that occasionally the expiration date on the outside envelope does not correspond with the expiration date of the policy inside. Other criticisms he made of agency service included:

(1) Failure of agents to cooperate with each other in order to give the best service possible to the buyer. Thus on four policies covering one property, two policies include extended coverage and two policies do not include extended coverage. This showed a lack of any attempt on the part of the agents to work together. (2) Wind storm coverage on the house and no wind storm coverage on the garage. (3) No recognition of a change in the combustibility of the roof covering. (4) Renewing a policy for twenty-five or thirty years for

the same amount of insurance without any investigation of value.

A three-day session of the Massachusetts legislature as it struggled to complete its 1941 labors kept Commissioner Harrington and John W. Downs, Insurance Federation general counsel, on the job in Boston while the convention was held in Springfield. Commissioner Harrington and other department heads were required by the governor to remain on hand for consultation. Legislative dangers of final session hours did not permit Mr. Downs to get away. Edmund S. Oppenheimer, general manager, Associated Insurance Agents & Brokers, Boston, talked on Mr. Downs' subject, the initiative petition for a state workmen's compensation fund. Mr. Oppenheimer, a former state senator, explained that after the legislature turned down a proposal for a monopolistic state fund, the labor organizations in the state obtained the necessary 5,000 signatures to put the issue directly on the ballot in 1942. Therefore, next year, if 30 percent of the voters who cast ballots vote on the initiative petition for a state fund and the majority of those voting on the issue favor the legislation, it will become law. Of 21 ballot legislative proposals voted on in Massachusetts, 20 have been passed. On none of these 21 proposals have as many as half of those voting expressed themselves on the initiative or referendum issue. Mr. Oppenheimer pointed out how these circumstances gave an extraordinary opportunity to an active minority to put across its ideas.

EXPLAINS NEW LAW

Commissioner Harrington was represented by Deputy Commissioner O'Leary who read the commissioner's address. This was principally an explanation of the new law designed to stop licensing of agents or brokers who derive more than 10 percent of their business from their own property, that of the wife, employer or employee. Mr. Harrington said that he would require the insurance companies to make separate investigations on this point and have some responsible employee of the company make a statement regarding the proportion of business applicant receives from the sources specifically named in the law. He said that he would put it up principally to the companies to make sure that the applicant could comply with the law and concluded by asking that the proponents of the law be tolerant in examining its administration, particularly during the first year.

Advertising and Selling

Charles E. Freeman, superintendent business promotion department, Springfield Fire & Marine; Robert E. Brown, Jr., superintendent advertising, Aetna Casualty, and C. W. Van Beynum, manager publicity department, Travelers, conducted a discussion on advertising and selling. Mr. Freeman spoke on the desirability of deciding what ideas were to be transferred to the public mind and what technical methods were to be employed in doing this. One advantage of advertising is that it stimulates the agent to live up to what he says about himself.

Mr. Brown carried forward the discussion by urging the agent to decide

(CONTINUED ON PAGE 39)

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Veteran Westerner Long Prominent in Service

(CONTINUED FROM PAGE 6)

The firm was local agent of the British America. He was called to the head office of the British America in Toronto at that time and served two years. Later he was appointed a field man for the company traveling in several states, being in that position from 1890 to 1901. Then he was given the title of general agent of the British America and stationed in Chicago, occupying that position until 1923, when he was retired after 42 years of service.

Prominent in Organization

Mr. Townley was prominent in insurance organization circles. He was president of the Missouri Underwriters Association in 1896, vice-president of the Fire Underwriters Association of the Northwest in 1898, treasurer from 1903 to 1910, president in 1913. He served as president of the Society of Life Members of the Northwest Association in 1936. After his retirement from the British America he was elected treasurer of the Underwriters Salvage Company, retiring two years ago. Mr. Townley was prominent in Episcopal church circles. For many years he was a delegate to the annual convention from the diocese of Chicago, then for 14 years was a member of the standing committee, serving some years as secretary. He was on the vestry of St. Paul's Episcopal Church in Chicago and for 20 years until his death was senior warden. At one time, for over 20 years, he was a director of the Church Club of Chicago.

Mr. Townley had a literary flair, his most important achievement being the editing of the insurance works of the late A. F. Dean, manager of the Springfield. Mr. Townley spent a long time in mobilizing this material, culling it out, revising it, editing it and getting it in proper shape. He had an artistic touch and was celebrated for his pen and ink engrossing and illuminated letter work. In this master hand activity he was called upon often to perform. Mr. Townley was known as a jovial, companionable man, he had a fine sense of humor and when in company he was always a fascinating character.

Round Table Head

Mr. Townley was president of the famous Round Table of the Chicago Union League Club. In fact, he and Mr. Dean organized this Round Table which occupies a prominent place in the large dining room where members are wont to gather for lunch. Mr. Dean was president and Mr. Townley was the original scribe. Mr. Dean became disabled and in the interim until his death, W. E. Higbee of Fred S. James & Co., was appointed "suffragan president." Later Mr. Townley became the chief officer. It can be said that he was the life and inspiration of the Round Table especially at its annual holiday lunch where he shone with a bright scintillant light. He, indeed, was the high prince of this notable coterie of underwriters.

Discusses Insurable Values

MINNEAPOLIS — Insurance buyers who depend on old appraisals and accounts to determine insurable values were advised to revise them upwards to reflect present values by Claude Nugent, Underwriters Adjusting, at the first fall meeting here of the Insurance Buyers Association of Minnesota.

"Generally speaking, buildings and equipment reached a low about 1932, since which time there has been a steady increase in production costs of approximately 50 percent," Mr. Nugent pointed out. "Where records or accounts reflect capital account items acquired at a low period, such values need revision upward to reflect insurable values at this time."

The Insurance Check Chart helps to detect hazards. Get a copy for 75 cents from National Underwriter.

POINTERS FOR LOCAL AGENTS

Ellis Sees U. & O. as Increasingly Vital Coverage

Because of the radical economic changes occurring almost daily, use and occupancy values should be checked at least every three months, Will S. Ellis, assistant manager Royal-Liverpool group at Chicago, said in a talk before the Chicago Association of Credit Men. Total insurance should be checked to see whether it is sufficient to cover the maximum loss that might be sustained.

Scarcity of machinery and inability to replace certain types means that destruction of such equipment may result in a loss extending over a period of several years, he said. In such cases, mere compliance with the requirements of the form will not provide sufficient insurance to cover the entire loss, and the amount of insurance should be increased for full protection.

Growing Restrictions

Mr. Ellis suggested that the changes in U&O forms in the east may be applied in the middle west. He called attention to restrictions just issued in the U. S. and Canada on boiler and machinery U&O as indicating the trend of underwriting applicable to this class of insurance.

In explaining that U&O means continued "use" of machinery, equipment, supplies and raw stock, and continued "occupancy" of the premises in the uninterrupted conduct of the business, Mr. Ellis stressed that there is no relationship between physical and earning values. For instance, the earning value of a concern manufacturing cosmetics is exceptionally high in relation to capital investment, whereas the earning value of a concern manufacturing farm implements is quite low. Consequently in relation to U&O the operating statement and not inventory should be kept in mind.

Mr. Ellis explained why recovery should not exceed the period of time for which raw stock on hand would have made operations possible, if raw stock is no longer available. If a firm should suffer a loss that required six months for repairs to buildings or contents and in that loss irreplaceable raw stock was destroyed which would make operations possible for only three months, this firm would have to cease operations at the end of three months. In paying the "actual loss sustained," therefore, the company's obligation does not go beyond the period the firm would have operated had no fire occurred.

Much discussion arises, he said, as to whether various items will or will not be

School for Instructors Launched in Mass.

BOSTON.—The joint educational effort of the Massachusetts Association of Insurance Agents and the Bay State Club of Massachusetts, the later composed of special agents, is now under way. Twenty-eight special agents enrolled for a five weeks course of training as instructors under Robert M. Morrison, a Boston lawyer, specializing in insurance law. The men will meet for five Monday evenings and be instructed in how to teach agents fundamental principles of selling insurance. At the completion of this course, the special agents will take charge, respectively, of regional classes of agents throughout the state and conduct these schools for seven weeks.

paid as "continuing" expenses. The best way to determine the matter is to apply the following questions: Is it a continuing expense? Would it have been earned?

If the answer to both the questions is "Yes," then the item is recoverable. If the answer to the first is "No," a third question applies: "Is it an extra or expediting expense incurred to reduce the loss?" If so, the item is recoverable to the extent the loss is thus reduced. If the answer to the second question is "No," it becomes necessary to determine the percentage, if any, of the item that would have been earned, and that percentage is recoverable.

Special Lecturers on Fire Insurance at Hartford College

HARTFORD.—Special lectures will be given by insurance men during the first term of the Hartford College of Insurance. J. A. Dann of the Travelers Fire, supervisor of the fire insurance course at the college, arranged for these. C. L. Allen, assistant secretary Aetna Fire, was the first lecturer, explaining the functions of the college and the purposes of the fire insurance course.

John Ashmead, general agent Phoenix, spoke to the fire insurance class on earthquake insurance Oct. 23. The assistant general manager of the National Board, F. S. Dauwalter of New York City, will come Nov. 6 to explain the function of this organization. "Waiver and Estoppel" will be discussed by L. J. Banta, assistant general adjuster Travelers Fire, on Dec. 8. In January three lecturers will be heard. F. F. White, superintendent of the loss department National Fire, will discuss the "Mortgagee Clause" on Jan. 5, followed a week later by T. F. Buchanan, secretary and general adjuster Aetna Fire, on the "Appraisal." Final speaker will be B. B. Gracey, assistant secretary Hartford Fire, Jan. 19 on "Subrogation."

Renew Many Leases in Chicago Exchange and Add Space

A number of important deals have been made for space in the Insurance Exchange building of Chicago and many leases signed for terms of years. Outstanding is the projected increase in space of Hartford Accident's western department to occupy the entire 13th floor in the north building with about 27,000 square feet of space, an increase of 7,000 feet. The quarters will be arranged much more efficiently.

At present the department office represents a gradual growth with many additions of space and is well scattered on the 13th floor in the south building and very crowded. Hartford Accident returns to the space it originally occupied when it entered the building, having been located in 1337. George H. Moloney, vice-president, has been in the Insurance Exchange since it was opened in 1912. The move will take place April 30, 1942.

Renew Many Leases

Others that have signed leases are John Naghten & Co., Atlas Assurance, Western Sprinkled Risk, O. P. Alford & Co., Yorkshire and Yorkshire Indemnity, Chubb & Son, Moore, Case, Lyman & Hubbard, John D. Wiese & Co.

A number of the shops also have signed, including Monroe Cigar Company, Kagen Liquor Company and Joseph Goergen, who operates two sandwich and refreshment shops in the building. A new shop will appear in

the north lobby to be operated by Mr. Goergen in place of his old sandwich shop in that building.

Other Changes in Space

Oscar J. Nelson, independent adjuster, has taken additional space; Security has taken more space, as has Chubb & Son. Seymour Smoller, formerly of Kirschenbaum, Smoller & Greenberg, has separated from that firm and opened his own office in A-946. Adams-Arnopolin & Co. has opened a new office in A-1640, transferring from 166 West Jackson boulevard. The Martin Adjusting Company is moving from 2109 to A-1201. Many of the changes were made necessary by space demands of other tenants.

Much work is still being done in the north lobby, which was recently completely transformed by installing a ceiling in place of the skylight, with a brilliant system of indirect lighting and facing all pillars and walls with white marble. In this process all of the shop fronts in the arcade were modernized with new woodwork. New two-tone brown uniforms for all elevator operators have replaced the old blue suits. All in all, the progressive modernization program initiated by Roy C. Swanson when he became manager is moving along apace.

U. & O. Revisions Cut Number of Forms

(CONTINUED FROM PAGE 5)

"I believe it is self-evident that we had reached a point where a general increase in U&O rates on manufacturing risks would have to be made, or else by means of revision of the form we arranged to obtain the additional premium necessary to compensate for unusual conditions.

Avoid General Rise

"The E.U.A. concluded that a general increase in the level of U&O rates on manufacturing risks would not be a wise move, particularly in view of the fact that the present conditions are of an emergency nature. Nevertheless, the insurance carriers are entitled to and must have sufficient premium to take care of the unusual risks. This could be accomplished only by means of a change in form, unless we were willing to resort to a very complex rating schedule, which very few would be able to apply properly. Furthermore, conditions are changing so rapidly that the U&O rates developed under such a schedule today would have to be revised a month hence in order to keep in step with the procession. The only way out of our dilemma was the revision in forms. Under this setup we cannot be accused of discrimination.

How New Rates Apply

"When the 90 day ordinary payroll limit under the contribution form is increased, the new rates for item 2 are the following percentages of the item 1 rates: 90 days 150 percent; 120 days 125 percent; 150 days 110 percent; 180 days or longer 100 percent.

"This graduated scale of rates," Mr. Snow said, "eliminates the inconsistency formerly existing whereby the same premium was charged for 120 days coverage as for 181 days coverage, and a higher premium was charged for 150 days than for 181 days.

"Under the new rule, the increase must be in multiples of 30 days, which eliminates another inconsistency that was taken advantage of quite generally."

WORDING OF FORMS

The insuring clause of the manufacturing use and occupancy forms adopted in New England and the District of Columbia, including the 12 months shut-down limitation, which may be increased by endorsement, is shown below. The same language is employed in the mer-

cantile forms, except that no mention is made of patterns, dies, models and drawings.

1. The conditions of this contract are that if the building(s) or structure(s) situate

and occupied as..... or machinery or equipment, including patterns, dies, models and drawings contained therein (for stock see sections 5, 6 and 11) be destroyed or damaged by fire occurring during the term of this policy so as to necessitate a total or partial suspension of business, this company shall be liable under this policy, subject to the following conditions and limitations, for the actual loss sustained for not exceeding twelve months from the date of loss nor such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the above described property as has been destroyed or damaged, whichever length of time is the shorter, commencing with the date of loss and not limited by the date of expiration of this policy, to wit:

Raw Stock Clause

There is no longer any mention of raw stock in the insuring clause, but the manufacturing forms contain the following provision. The 30-day period may also be extended by endorsement.

5. RAW STOCK: If the insured's raw stock, while in the above described building(s) or structure(s) or in the open on premises above described is damaged or destroyed during the term of this policy by fire so as to necessitate a total or partial suspension of business, this company shall be liable, subject to all the conditions and limitations of this insurance, for loss during such additional time, if any, but not exceeding thirty consecutive days, as the shorter period described in (a) or (b) below exceeds the time during which this company is liable under the provisions of section 1 of this form.

(a) The time for which the damaged or destroyed raw stock would have made operation possible.

(b) The time required, with the exercise of due diligence and dispatch, to replace or restore said damaged or destroyed raw stock.

Extending Endorsements

When the 12 months time limit is to be extended, the following endorsement is used with either 80 percent coinsurance form:

1. In consideration of the premium for this insurance, the twelve month time limit in section 1 of the form to which this endorsement is attached is changed to..... months.

2. In consideration of the above extension of the period of liability paragraph (a) in the contribution clause of said form is changed to read:

(a) Under Item I, 80% of the sum of the net profits and the amount of all charges and other expenses of any nature whether continuing or not (except the expense of heat, light and power to the extent that such expense does not continue under contract and the insured's entire ordinary payroll expense) that would have been earned (had no loss occurred) during the "..... months immediately following date of loss.

*Enter here the same number of months as stipulated in the first paragraph of the endorsement.

The following endorsement is used for extending the time limit under the weekly form:

1. In consideration of the premium for this insurance the twelve-month time limit in section 1 of the form to which this endorsement is attached is changed to..... months.

2. In consideration of the above extension of the period of liability the 1/50 weekly limit of liability in the total suspension clause of said form is changed to 1/.....

The National Board grading of Prosser, Wash., has been lowered from class 7 to class 6, following a resurvey made by the Washington Surveying & Rating Bureau.

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Hagerstown, Md., Warehouse Bldg., Phone Hag. 798

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Differential Scale to Be Enforced by Detroit Agents

DETROIT — Taking an aggressive stand on a differential scale of commissions for policywriting and non-policywriting agents, members of the Detroit Association of Insurance Agents went on record at their last meeting favoring enforcement of a resolution passed in 1929 calling for differential commissions. E. S. Karrer, Karrer agency, presided and D. T. Marantette, Detroit Agency, past president and chairman of the rules committee, led the discussion.

Mr. Marantette reported that considerable progress has been made with the fire companies in the enforcement of a differential scale and declared that the primary purpose of the present meeting was to find out whether the membership as a whole was wholeheartedly behind the resolution of 12 years ago.

All Favor Move

A poll was taken of every agency represented. All spoke favorably of the move and pledged 100 percent cooperation. Three of the agencies represented have some of their policies written but expressed a willingness to take lower commissions on this business in order to further the association activities.

Mr. Marantette said he would turn the files on the matter over to G. W. Carter, chairman conference committee, to be taken up directly with the companies.

A report on the activities at the National convention was given by Secretary-Manager Elmer Salzman, who said that he thinks the "V" plan for insurance outlined at the meeting will be of very material benefit to the business and that it fits in with the Detroit association's public relations program. He commented on the financing of premiums by agencies, which he said would have the effect of training the assured to deal with and regularly contact his insurance agent, thus eliminating some of the causes which otherwise tend to make it easy for the customer to shop around for his insurance.

Farm Problems Reviewed at Ind. Rural Agents' Breakfast

Present interest in farm insurance practice was evidenced by the attendance of 41 "early birds" at the first Indiana rural agents breakfast at the annual meeting of the Indiana Association of Insurance Agents at Indianapolis. Howard W. Bradshaw, chairman of the association's rural committee, presided.

The Farm Underwriters Association 4H Club scholarship plan was presented by Mr. Bradshaw and F. H. Cornell, Home, president Farm Underwriters Association, was introduced. Mr. Cornell explained in detail the purpose of the plan and its operation. Rush W. Carter, Aetna Fire, chairman of the Farm Association advisory committee, spoke briefly on other phases of the plan as did also B. R. Walinder, America Fore, another member of the farm committee. Arthur Johnson, also active in this field, was another speaker.

Questions from the floor flowed freely and were answered by the authorities present. It was announced that complete material would be made available and Chairman Bradshaw encouraged interest in its promotion.

Mr. Bradshaw sketched briefly the activities of the committee the past year, including development of a plan of rural

fire protection, securing of farm coverage improvements and continued conferences with the Farm Association.

One of the resolutions passed by the convention endorsed the work of Farm Underwriters Association 4H Club scholarship plan.

Minnesota Agents Giving Much Time to Collections

MINNEAPOLIS — Collections are getting the close attention of Minnesota agents as the year approaches its end. Some complaints have been heard of difficulty in getting premium cash, even though business is good in most lines and money is circulating freely. Too many people, it seems, are using their cash for other purposes than paying insurance premiums.

One Duluth agent said this week that he is centering his entire time on collections. In St. Paul and Minneapolis collections were reported fair to slow with some "poor" reports thrown in.

That agents are wise in pushing collections at this time was the opinion expressed by the manager of one of the large branch offices in the Twin Cities. When the first installment on the 1941 income taxes comes due next March, he predicted, many people are going to need all their spare cash for that purpose and if they are owing insurance premiums, these will have to wait.

"So far our office cannot complain about slow pay but this is because we have been pushing collections hard," this manager said. "Those agents who are neglecting their collections, I am afraid, are in for a rude awakening later."

Educational Work to Be Stressed in Michigan

LANSING, MICH.—Guy M. Cox, Iron River, new president of the Michigan Association of Insurance Agents, is advocating continued stress on the educational program and recommending local agency pressure for adequate fire ordinances as a national defense step. He also urges continuing the public relations bureau, so that the public may be properly informed as to the real functions of the local agents, and furnishing speakers to inform the insuring public of the advantages of doing business through the American agency system.

W. O. Hildebrand, secretary-manager

New Trustee of Ohio Agents Organization

George E. Corby, who was named a trustee of the Ohio Association of Insurance Agents to fill the two year unexpired term of E. B. Berkeley, is vice - president of the Albert Rees Davis Company agency of Cleveland. The vacancy occurred because Mr. Berkeley was elected vice - president of the Ohio association.

Mr. Corby recently resigned as Cleveland manager of Aetna Casualty to enter the local agency business. For many years he was associated with the late W. G. Wilson, general agent for Aetna Casualty in Cleveland.



George E. Corby

of the association suggested that the local boards, pending preparation and distribution of material in the National association's program, establish educational programs based on the material available through the correspondence courses of the University of Michigan extension division. Mr. Hildebrand said the company organizations will continue the zone meetings and he advised local boards and regional groups to set up educational committees to function, if desired, with the assistance of the field men. A list of meeting places and dates probably will be announced soon.

Indict Mo. Legislator for Asking License Bill Bribe

JEFFERSON CITY, MO.—The Cole county grand jury's investigation into activities of the last Missouri legislative session has resulted in the voting of two indictments charging State Representative Ivanhoe of St. Louis with soliciting bribes of \$500 and \$3,500 to secure his own and other votes for the insurance agents' qualification bill. The bill died in the house insurance committee of which Ivanhoe was a member.

Ivanhoe, a St. Louis insurance agent, is at liberty under a \$2,000 bond which he furnished following his arrest in St. Louis Oct. 31. He pleaded not guilty.

The indictments are based on a conversation he is alleged to have had in a room in a local hotel on or about May 8, 1941, with John W. Rodger, manager for the St. Louis Board; Oliver Blase, St. Louis broker, and Basil U. Sparlin, Springfield, president of the Missouri Association of Insurance Agents. Rodger is also executive secretary of the state association. The three insurance men testified before the grand jury.

Wis. Mutual Agents to Meet

MILWAUKEE.—The Wisconsin Federation of Insurance Agents, composed of mutual agents, will hold its annual meeting here Nov. 12. The morning session will be devoted to a business meeting and election. Rev. E. J. Hjortland will speak at the luncheon on "Facing Tomorrow." In the afternoon L. M. Dunathan, assistant secretary Shelby Mutual Plate Glass & Casualty, will discuss the new comprehensive liability policy and Prof. H. L. Riordan of Marquette University, who spent three years in the orient, will talk on "The Risks of War for the United States in the Far East Today."

J. P. Forst, Milwaukee, is president of the federation; Frank Mongin, Green Bay, vice-president; E. P. Hocking, Janesville, secretary-treasurer, and H. P. Otten, Milwaukee, general convention chairman. This will be the first year that the federation has held its annual meeting apart from the annual convention of the Wisconsin Association of Mutual Insurance Companies. The company association will hold its annual meeting here Dec. 10, to transact business and elect officers.

Elections in Muncie, Kokomo

Burl Keys has been elected president of the Muncie, Ind., Insurance Board, succeeding Harry H. Wolf. Robert Moffitt is vice-president and Charles E. Fisher is reelected secretary.

Charles R. Love is elected head of the Kokomo, Ind., Insurance Board. Oscar Lewellyn is vice-president and Mrs. Julia Timian is secretary.

To Set Minn. Mid-Year Date

MINNEAPOLIS.—The date will be set and preliminary plans discussed for the mid-year meeting of the Minnesota Association of Insurance Agents when the executive committee meets here Nov. 13. Following this meeting several of the state association officers will go to St. Cloud for the annual meeting that

Charles E. Freese Honored on His 60th Birthday

Charles E. Freese of Detroit celebrated his 60th birthday Oct. 28. While he was born in Clinton, Mich., practically his entire life has been spent in Detroit.



CHARLES E. FREESE

This year is also the 40th anniversary of the establishment of his agency there.

J. A. Grow, well known agent of Michigan Fire & Marine, started him in the business. In those days, the insurance business was a house-to-house solicitation. Many of those original household furniture policies are still on his books; some have grown into substantial accounts.

In 1903 he became an agent of Travelers, went to its casualty school in Hartford and has continuously represented those companies ever since. He was prominent in the early days of the development of automobile fire and theft business, and wrote for Aetna Fire its first automobile fire and theft policy.

He is a past president of the Detroit and Michigan Associations of Insurance Agents.

Associated with him in his business is his son, Charles E. Freese, Jr. Charles Edwin Freese, IV, is now being trained in the rudimentary elements of the business, at the age of 1 year.

A cocktail party was given by J. Alfred Grow, vice-president of Homer Warren & Co. Among those in attendance were all of the past presidents of the Detroit association and many of the old insurance men of Detroit.

evening of the Central Minnesota Agents Regional association.

The annual "open house" joint meeting of the Southern and Southeastern Minnesota regionals will be held at Faribault Nov. 18.

Condemn Firetraps Despite Taxes

ST. PAUL.—The Minnesota state fire marshal is authorized to condemn any structure which is a fire hazard, even though it is located on property against which the taxes are delinquent, E. J. Devitt, assistant attorney-general, holds. This, however, does not permit the owner to sell the condemned building and keep the proceeds without making an agreement with the county to take care of the delinquent taxes, Mr. Devitt added.

Iowa Chairmen Named

COUNCIL BLUFFS, IA.—Leon E. Morse, Council Bluffs, president Iowa Association of Insurance Agents, has

announced the following committee chairmen: Local board, P. J. Newton, Council Bluffs; fire prevention, P. E. Jester, Des Moines; accident prevention, H. C. Brown, Mason City; legislative, H. C. Burleson, Cedar Rapids; membership, Dick Bell, Atlantic; rural agents, Arthur Dinwiddle, Bedford, and educational, Ted Flynn, Des Moines.

Wants Electric Equipment Covered

LINCOLN, NEB.—Insurance Director Fraizer will join with the Omaha Association of Insurance Agents in an effort to induce companies to include coverage for loss and damage to electrical apparatus, particularly radios and refrigerators, in dwelling and furniture policies. Mr. Fraizer was surprised to find that standard forms issued for Nebraska contain no such coverage although those used in Iowa do. He said he could not understand why such discrimination exists.

Flint to Ask Rate Cut

LANSING, MICH.—Although only two Detroit suburbs, in addition to the metropolis, were represented at the first fire rate hearing before the state rating commission here, it is understood that at least one other major city will have representation when the hearing is resumed Nov. 12.

George T. Gundry, city manager of Flint, said that it expects to have representatives present at the next session. He indicated that a formal request for consideration of a substantial cut in the dwelling rate for Flint will be asked.

Look Into \$200,000 Fire

COLUMBUS, O.—Representatives of national fire prevention organizations may be called in to help solve the fire which destroyed the lumber yards of H. H. Giesy & Brothers Lumber Co. here,

with a loss of \$200,000. Firemen discovered three bushel-sized nests of cellulose material, paper, shavings and kindling. The loss was total. The insurance is reported to be in mutual companies.

Bland in New Quarters

DETROIT—P. B. Bland, former president Detroit Association of Insurance Agents and head of the Cadillac Agency for 24 years, has opened new offices at 161 West Congress street. The new office has 1,600 square feet of space and is the only exclusively insurance agency located on the ground floor in the downtown section.

Lucas County Board Dinner

The Lucas County Insurance Board is planning a turkey dinner for members and guests in Toledo, O., Nov. 12. G. L. Rutter is chairman. A radio quiz bee will be a feature.

NEWS BRIEFS

The Bert Neil Agency, consisting of Bert M. Neil and C. M. Neil, recently was formed at 3525 Broadway, Kansas City. The agency represents New York Fire.

Howard Bailey, Milwaukee, state agent Dubuque Fire & Marine and president of the Wisconsin Insurance Club, spoke at the monthly dinner meeting of the Women's Insurance Club of Green Bay, Wis.

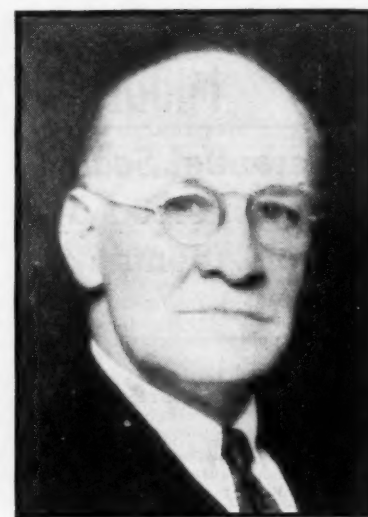
Pedestrian safety week was observed in Minneapolis this week sponsored by the **Minneapolis Underwriters Association** and the Hennepin County Safety Council. Fred Barney was chairman of the committee.

"Bosses night" will be observed Nov. 17 by the **Minneapolis Insurance Women's Club**. The program will be in the form of an insurance quiz.

At Connecticut Agents' Meeting



EDWIN S. COWLES, JR., Hartford State President



T. A. FLEMING, New York City National Board

Rouillard & McPherson, Claremont, for Cheshire & Sullivan; Edna Abercrombie, R. D. Harrison agency, Lebanon, for Grafton; Beatrice Doloff, R. H. Perkins agency, Manchester, for Hillsboro; Elizabeth Crosby, Dustin & Smith agency, Concord, for Merrimack; Edna Bishop, Curtis Agency, Derry, for Rockingham and Eunice Wood, Gowen Agency, Dover, for Stratford.

New Hampshire women voted to join the National Association of Insurance Women and also voted to establish an employment bureau to serve members of their organization.

Elin Malmquist Gave Talk

A guest speaker at the luncheon meeting was Miss Elin Malmquist, assistant secretary of the Hartford Fire. She told briefly of her education in high school, six years in a Wallingford, Conn., office and a year of study at Columbia before beginning her career at the Hartford Fire as secretary to the president. She said the insurance business is one offering unusual opportunities for women both in the home offices and in the agencies. For insurance companies, one woman is editing the company magazine, some are examiners, some are underwriters and several are librarians. She said that women in the home office have to specialize more than those in the agencies who become familiar with many more types of transactions. She urged the women to continue obtaining, by reading, a broad cultural background and to cultivate efficiency, accuracy and above all, the art of getting along with people.

W. C. White, editor of "Granite Chips," official publication of the New Hampshire association, congratulated

the organization on joining the national organization and complimented the national president, Elsie B. Mayer of Den-

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EASTERN STATES ACTIVITIES

Massachusetts Has Non-Assessable Law

BOSTON—A stormy session which completed a 10 months campaign for the non-assessable policy bill sponsored by the Mutual Fire Insurance Association of New England resulted in the passage of the bill and its signing by Governor Saltonstall.

Massachusetts thus becomes the last of the 48 states to pass a law permitting mutual fire and casualty companies to write non-assessable policies. The law goes into effect in 90 days. Under it mutual fire companies may write non-assessable policies if they maintain a surplus of not less than \$200,000, keep \$200,000 additional on deposit with the state treasurer, and receive the permission of the commissioner of insurance. Mutual casualty companies come under similar regulation with the exception they do not have to have the approval of the commissioner of insurance. In the last days of the controversy an amendment was adopted which protects policyholders under the non-assessable provisions from any liability applying to holders of assessable policies. Foreign mutuals admitted to Massachusetts may file their deposits with the proper officer of their state of domicile.

Governor Demands Change

The bill passed the house and senate a week previously in spite of the stiff opposition of the stock company interests and the persistent attacks of the insurance commissioner who styled the

bill an "unworkable hodge-podge" which would seriously disrupt present insurance laws. The governor refused to sign the bill and sent it back to the legislature with the statement he objected to its form but not its substance. The house amended it as to the contingent liability of non-assessable policyholders and it went to the senate. The senate presented five amendments and had seven roll calls in the last hours of the debate, all being close votes, but eventually concurred with the house in passage of the bill.

Janet Sheehan Head of N. H. Women

Janet G. Sheehan, who operates her own agency in Manchester, is the new president of the New Hampshire League of Insurance Women, elected at the annual meeting in Manchester Friday. Other officers are A. Edna Riel, Melchor-Prescott Agency, Laconia, vice-president; Katherine Donovan, Morrill & Everett, Concord, secretary-treasurer. County representatives are Lillian F. Theriault, Byce Agency, Laconia, for Belknap; Gladys D. Willey, Avery Agency, Wolfboro, for Carroll and Coos; Gabrielle L. Bernard, Barnes,

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ver, who met many of the agency leaders at the recent Kansas City convention.

The first regional meeting of the New Hampshire Insurance Women's League will be held Nov. 17 in Concord.

Many Prominent Men Attend Buffalo Board Celebration

BUFFALO—R. W. Forshay, president of the National Association of Insurance Agents, declared that the insurance business will do all in its power to assist the government in time of emergency. The occasion was the 100th anniversary banquet of the Buffalo Association of Fire Underwriters, which was attended by more than 650. The Buffalo association is the "grandest of all boards, one that has grown with the United States," Mr. Forshay said.



A. C. Glasser

Among guests at the speakers' table introduced by August C. Glasser, president of the Buffalo association, were: W. E. Otto, head of the oldest agency in Buffalo; G. H. Jamison, deputy superintendent of insurance; E. H. Hunt, counsel Insurance Federation of New York; S. O. Mason, past president Ontario Fire & Casualty Agents Association; William J. Ward, general manager, and H. D. Rice, assistant general manager New York Fire Insurance Rating Organization, and F. S. Dauwalter, assistant general manager National Board.

Also, George F. Neiley, manager Eastern Underwriters Association; Lawrence Daw, manager Syracuse division New York Fire Insurance Rating Organization; Police Commissioner Roche; Fire Commissioner Castimore; A. J. Halsey, president Buffalo Field Club; Fred J. Marshall, president Erie County Insurance Agents Association; W. W. Heppell, president Northern Chautauqua Board; Richard Cary, past president Niagara Falls Insuring Agents Club; Charles C. Beweley, president Lockport Board, and Roy E. Godey, president of Jamestown Fire & Casualty.

Committees to Study N. J. Qualification Situation

NEWARK.—The executive committee of the New Jersey Association of Insurance Agents has directed the Bergen plan committee to study and consult with the various county boards throughout New Jersey, with a view of "housecleaning." It also directed the qualification and resident agency laws committee to make a study of qualification laws of other states and the laws and rules and regulations in New Jersey pertaining to the appointment and supervision of general insurance agents, with a view of the association sponsoring possible legislation, if that should be deemed necessary.

Alsop Heads Hartford Mutual

The Hartford County Mutual Fire of Hartford, Conn., elected J. W. Alsop as president and treasurer to succeed the late F. F. Small. S. R. Spencer of Suffield was made a member of the board. Mr. Alsop is a member of the Connecticut Public Utilities Commission and will give considerable time to the Hartford County Mutual. It confines its operations to Connecticut. Mr. Alsop is president and treasurer of the Connecticut Valley Mutual Hail. Mr. Spencer is president of the First National Bank of Suffield.

Panel Discussion in Pittsburgh

PITTSBURGH—A panel discussion on comprehensive liability will be conducted by members of the Casualty Insurance Association at the meeting of

the Pittsburgh Association of Insurance Agents on Nov. 13. E. D. Sweet, Massachusetts Bonding, is panel chairman, assisted by James R. Wilson, Travelers; Walter King, U. S. F. & G.; Fred R. Miller, Aetna, and A. M. Battistini, Hartford.

Fete Oneida Agency at 60th

In appreciation of the 60th anniversary of the Rockwell agency of Oneida, N. Y., representatives of the 20 companies in the office tendered a dinner to its management. H. B. Burchell, representing Pennsylvania Fire, first company to enter the agency, was toastmaster. He introduced among others G. W. Ingalls, Fidelity-Phenix, who had personally known three generations of the Rockwell family. Another speaker was L. L. Saunders, long time secretary of the Insurance Federation of New York, and a native of Oneida. The dinner guests presented Charles S. Rockwell, present head of the agency, a desk set.

Mr. Rockwell handed each company man some choice new risks, solicited earlier in the day.

Fireworks Ban Made Effective

BALTIMORE.—Judge Saylor has held that the new law banning fireworks in Maryland will not have to be submitted to the voters at the next general election in November, 1942. He ruled that the petition for a referendum on the new law was "obviously" invalid and issued an injunction restraining election officials from putting the matter on the ballots at the election next year.

The result of the ruling is to make the state-wide law against the free use of fireworks immediately operative.

Weekly Payments for Motorists

ROCHESTER, N. Y.—The Underwriters Board of Rochester is instituting a plan under which motorists may comply with the new auto responsibility law

by making small weekly payments on an insurance policy.

"As 70 percent of car owners earn less than \$40 a week, it is difficult for the average motorist to pay for liability insurance in a lump sum," Louis Hawes, secretary of the board, explained. "Therefore, to make the liability coverage easily available, the board has announced a plan whereby small weekly payments may be made with no interest or finance charge to the insured," he said.

Haverhill Board Elects

HAVERHILL, MASS.—The Haverhill Board has elected these officers: President, J. R. Page; vice-president, H. N. Pingree; secretary-treasurer, P. F. Brooks; auditor, H. J. Corcoran. G. E. Kimball was elected to the executive committee. President Page received his first experience in the eastern department of Fireman's Fund in Boston, and in recent years has been associated with his father in the Page Insurance Agency.

Monmouth County Dinner

NEWARK.—The Monmouth County Insurance Agents Association is holding a golf party and a dinner at the Jumping Brook Country Club Nov. 6. Leon A. Watson, expert of the Schedule Rating Office of New Jersey, will speak.

Honor Taggart at New Kensington

The New Kensington (Pa.) Insurance Club will give a testimonial dinner to Commissioner Taggart Nov. 13. John W. Hunger is chairman.

Birdseye with Preferred

The Preferred Mutual Fire of New Berlin, N. Y., has appointed Earl I. Birdseye as special agent to serve the agents in two-thirds of New York state.

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PACIFIC COAST AND MOUNTAIN

New Officers of Montana Agents

Fritz Norby of Great Falls, who was elected president of the Montana Association of Insurance Agents at the recent annual meeting, was born in Ada, Minn., in 1892. He attended the University of Minnesota. From 1910 he occupied various positions in the flour milling industry in Minneapolis and in 1916 went to Great Falls where he has been continuously engaged in the real estate and insurance business.

Mr. Norby is first ward councilman, is president of the Great Falls Real Estate Board and a director of the Great Falls Chamber of Commerce.

Matt Kelly, vice-president of the Montana association, was born in St. Paul, in 1888. In 1897 his parents moved to Anaconda, Mont., where Mr. Kelly



Fritz Norby



MATT KELLY

received his education. He was on the first champion high school basketball team. Mr. Kelly was auditor for the B. A. & P. Railroad Company, which position he held for 10 years. He resigned to enter politics with the result that he was city clerk of Anaconda for the following four years. Later he entered the employ of the Wellcome & Durston Company and was a member of that firm from 1916 to 1926. In 1926 Mr. Kelly and Fred W. Peckover formed the Peckover-Kelly Company, a real estate and insurance office. In 1933 Mr. Kelly bought the interests of Mr. Peckover and has since that time been operating a real estate and insurance business under the trade name of Matt J. Kelly Co.

Cobb & Stebbins Take Over Salt Lake Agency

DENVER—Cobb & Stebbins of this city have purchased the agency plant and business of Western General Agency Company, Inc., of Salt Lake City. D. S.

Rogers, who was president, has been employed by Cobb & Stebbins as manager of the Utah service office which will be located in the quarters heretofore occupied by Western General Agency in the McIntyre building. A. L. Stebbins, who has been special agent for Cobb & Stebbins in Utah, will continue in the same capacity with headquarters at the Salt Lake City office.

The Cobb & Stebbins Utah service office will be operated solely for the benefit of Utah agents and will not be engaged either directly or indirectly in any local agency activities.

The companies which were represented by Western General Agency Company are Charter Oak Fire, Eagle Indemnity, New Hampshire Fire, Northwestern Fire & Marine and Star.

Restrictions on Valued U. & O. Form in Washington

SEATTLE, WASH.—Restrictions on the writing of a valued form of use and occupancy as a surplus line have been imposed in Washington. Valued U. & O. is not written by the admitted carriers. While the Washington department is permitting the writing of the form in non-admitted carriers, restrictions as to its use have been made so as to prevent rate-cutting.

Surplus line brokers have been advised that valued U. & O. will be approved where a rate comparison with the nearest comparable admitted form shows conclusively that a loading is charged over and above the admitted rate. The broker is charged with the responsibility of furnishing supporting data and rate information.

All-risk U. & O. is not considered a legitimate surplus line, although valued all-risk U. & O. may be written in the non-admitted market provided "it is written at rate at least equal to the rate of admitted companies for non-valued U. & O." The surplus line broker must submit a comparison of rate used with the rates of admitted companies. In addition, supporting data and all necessary information required to secure rate quotations from admitted carriers on boiler and machinery breakdown must be furnished with all valued all-risk U. & O. forms.

Los Angeles Exchange Hears Talk on Oil Insurance

LOS ANGELES.—At the October dinner of the Insurance Exchange of Los Angeles George P. Cronk, who has been active in the business here for 15 years, spoke on "Insuring the Oil Risk." He gave a clear picture of the entrance into the business of the oil associations and a non-technical description of the handling of oil insurance. He recommended that any agent confronted with the problem of insuring an oil risk, and who does not have the special knowledge properly to write the line, should by all means consult a specialist and thus save himself some embarrassment should a loss occur.

President W. B. Glassick of the exchange told the members that the 160th Infantry would be guests in the city the week of Nov. 22, and asked the members to take at least two of the soldiers and see that they are entertained during the week.

Vice-president Robert J. White of the exchange reviewed the convention of the National Association of Insurance Agents.

Prof. Morgan Byrne of Los Angeles City College, former war correspondent, talked on the Nazi-Soviet war front. He predicted that the Soviet forces eventually will win.

H. V. Burke Returns to Bureau

DENVER—H. V. Burke, formerly special agent of National Fire in the mountain field, recently resigned, has

rejoined the Mountain States Inspection Bureau as inspector. He will work out of the Denver headquarters. Mr. Burke, prior to his work for National Fire, was district inspector of the bureau at Pueblo, and before that with the Iowa Insurance Service Bureau in a similar capacity.

Proposed Montana Hail Changes

BUTTE, MONT.—The Montana state hail insurance board has proposed several changes in hail insurance coverage and premiums.

One proposal would raise the minimum allowable loss from 5 to 10 percent, thus eliminating a great number of small claims and saving about \$10 for each claim requiring investigation.

The board also proposed giving farmers with 85 percent or greater loss the full payment for 100 percent loss. A third proposal would provide for lower rates on farms where machines other than combines are used in harvesting grain.

Washington Educational Rallies

One of the most successful educational programs ever staged in Washington was being concluded this week with meetings at Centralia, Nov. 4; Longview, Nov. 5, and Vancouver, Nov. 7. The meetings, which began early in October, are sponsored jointly by the Washington Association of Insurance Agents, the Special Agents Association of the Pacific Northwest, and the Inland Empire Fire Underwriters Association.

This week's program was staged by a three-man team headed by Gerald A. Haney, National Fire, assisted by C. B. Mayo, Phoenix of Hartford, and Harry Schroeter, Jr., American. A "post season" program will be staged at Everett Nov. 18, the meeting originally slated having been postponed.

Hear Reports on K. C. Convention

SEATTLE—Reports of the Kansas City convention of the National Association of Insurance Agents will feature the monthly luncheon meeting of the King County Insurance Association Nov. 13.

Speakers will be President Alfred W. White and Vice-president William H. Harmer, who were delegates to the meeting.

California Parley Next Week

SAN FRANCISCO.—With extension and broadening of educational facilities through the Insurance Institute of California as its primary theme, the annual convention of the California Association of Insurance Agents opens next Monday, Nov. 10, in Sacramento.

Fred A. Moreton, Salt Lake City, member executive committee National association, will officially represent that body.

Advance registrations indicate a record attendance.

F. C. A. B. Managers to Meet

Managers and general adjusters of the branch offices of the Fire Companies Adjustment Bureau, in the eight western states comprising the western division, will hold a conference in San Francisco Nov. 11-13.

Hold Oregon Conference Nov. 27

The Oregon Association of Insurance Agents contact committee will meet with the Oregon Conference Committee in San Francisco Nov. 27. Claude Nasburg of Marshfield heads the agents' delegation.

F. C. A. B. Moves Offices

SAN FRANCISCO.—The Pacific Coast department of the Fire Companies Adjustment Bureau is removing its general offices to 300 Montgomery street. Harry J. Boyle is general manager.

Reorganize Hinchman, Rolph Firm

SAN FRANCISCO.—Following the recent death of Homer Hinchman, partner in the general agency of Hinchman, Rolph & Landis, the firm has been re-

organized. While it will retain its former name, partners now are: Phil F. Landis, James Rolph, III, Frank J. Pelletier, George M. Parrish and G. A. O'Sullivan. Mr. O'Sullivan maintains his headquarters in Seattle, in charge of Pacific Northwest operations. Main offices of the organization are in San Francisco.

NEWS BRIEFS

Mrs. Eva Boaz, chief clerk in the Los Angeles office of the California department, has returned to her desk on a part-time basis, following her recovery from injuries received in an automobile collision last July.

John W. Drayton, vice-president North America, visited San Francisco the past week, conferred with H. J. McCauley, general manager in that territory.

Lawrence Gould has become manager of the Fox agency, Okanogan, Wash. He was formerly with the Hartford in Spokane.

SOUTH

Oklahoma All Set for Rally at Enid

President Everett J. Grews of the Enid Insurers Exchange will welcome the visitors at the Oklahoma Association of Insurance Agents' mid-year convention in Enid Nov. 14-15. Fred Daniel, Tulsa, state president will speak and C. H. Froehle, First Bancredit, Tulsa, will discuss premium financing. B. E. Harkey, secretary Oklahoma Insurance Board, will bring greetings from that body. Trends in the casualty insurance business will be discussed by G. E. Hofmeister, vice-president Continental Casualty.

Wellington Potter, Rochester, N. Y., agent will open the afternoon session with a talk on "Dynamite." Mrs. Hallie McCartney, El Reno, will discuss "A Woman's Place in the Insurance Business." The work of the Institute of Insurance of the Oklahoma Capital Stock Insurance Council will be reviewed by Addison Sessions, Okmulgee. At the banquet the first evening the experiences of a county attorney will be told by Lewis Morris, Oklahoma county attorney. Entertainment will be furnished by the Oklahoma City Insurers Exchange.

At the final session Saturday morning the report of the resolutions committee will be presented and an "information please" panel will be conducted by Claiborne Davis, Frates Company, Tulsa. Mr. Potter will present "More Dynamite." Fred F. Fox, secretary, will be in charge of arrangements.

Agenda for Ga. Mid-Year Meeting About Completed

ATLANTA—The Georgia Association of Insurance Agents is preparing for its mid-year meeting, at Hotel Dempsey, Macon, Nov. 19. The executive committee will meet the day before. R. L. Ellis, Atlanta, is president; Olin T. MacIntosh, Savannah, vice-president and chairman of the executive committee.

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and Lon Sullivan, executive secretary. The agenda is practically completed, pending further suggestions from officers and members. So far it includes: Consideration of plans to extend the "Walk With Wisdom" safety campaign of the Atlanta association to the other 14 local boards.

Discussion of a plan to adapt the Georgia association's educational program to certain of the suggestions made at the Kansas City convention of the N. A. I. A. by Educational Director George Scott.

Consideration of the feasibility of fostering a modern agency licensing law in Georgia.

Development of a program of regional meetings for educational and consultation purposes at stated intervals between annual and mid-year sessions.

Report on the Sidney Smith complimentary membership campaign, which has resulted in adding 32 new members and two new local boards, bringing the membership to 321. President Ellis says the campaign is being pushed with new vigor and he expects that the roster will show 400 members by the time of the mid-year meeting.

The executive committee meeting will open at 10 a. m. Nov. 18 and will reconvene after luncheon. Officers will be in conference in the evening. About 80 members are expected to attend the general sessions. No entertainment is planned, but there will be a fellowship luncheon.

Virginia Association Holds Three Regional Meetings

E. H. Luecke, superintendent of agency production of Fidelity & Casualty, and Sidney P. Clark, regional manager in Richmond of Royal-Liverpool, spoke at regional meetings of the Virginia Association of Insurance Agents in Staunton and Warrenton.

The initial regional meeting was held at Wytheville with 50 in attendance. A panel discussion revolving around the problem of overcoming sales resistance was led by three field men, E. H. Dobbins, America Fore; H. M. Gibbons, Home of New York, and Edward Marshall, National Surety, Greensboro, N. C.; and three local agents: Roger Clarke, Fredericksburg; Paul Sigmond, Roanoke, and John Lester, Wytheville. Mr. Clarke also talked on the problems of the small town agent and Mr. Marshall on fidelity bonds.

Insurance Men at Defense Rally

OKLAHOMA CITY—As part of the "Heads Up" program in Oklahoma City, the state defense committee joined the Chamber of Commerce in a defense luncheon for Daniel Deasy of the New York City fire department, who was sent to England to study fire control under war conditions. The Oklahoma Blue Goose and the Oklahoma City Insurance Exchange suspended their regular weekly meetings to attend the luncheon in their respective bodies. A

table was specially reserved for members of each of the fire insurance organizations.

San Antonio Agencies Merge

SAN ANTONIO, TEX.—The merging of the George C. Eichlitz Company and the Dennis-Hinkle & Wray agency brings together two agencies which have a combined insurance history of 100 years. The Eichlitz agency is one of the pioneer agencies here, while Dennis-Hinkle & Wray has been one of the vigorous and growing agencies of the city. The consolidated agency will operate as Eichlitz-Dennis & Wray. The principals are George Wray, W. L. Dennis and Fred Scheibe. Mr. Wray was a field man and adjuster for 10 years prior to entering the local agency work in 1936. Mr. Dennis has been an agent since 1916. Mr. Scheibe also had field experience, entering the local agency work in 1932.

Va. Scores Non-Stock Placing

RICHMOND—Directors of the Virginia Association of Insurance Agents hold that placing business in or the offer to place business in non-stock or participating stock fire, casualty and surety companies, with or without commission, places any member of the association in violation of the constitution and forfeits his right to membership.

Yazoo Delta Agents Meet

Eighty agents attended a meeting held at Clarksdale, Miss., by the Yazoo Delta Local Agents Association. A business session was followed by a barbecue dinner at Moon Lake as guests of the Clarksdale Insurance Exchange. C. M. Davis, Moorhead, is association president.

Ask Bids on New Orleans Bridge

NEW ORLEANS—The city of New Orleans through the Public Belt Railroad Commission has invited bids for \$4,000,000 property damage and \$905,000 use and occupancy insurance on the Mississippi river bridge in Jefferson parish, just above New Orleans. The insurance is to run for three years from March 25, 1942. Bids will be opened Nov. 10.

Acceptable insurers are companies licensed in Louisiana, including mutuals with non-assessable contracts.

Discontinues New Orleans Patrol

NEW ORLEANS—The old Fire Insurance Patrol of New Orleans, maintained by the fire companies through the National Board, will make its last run Nov. 15, when it will be disbanded.

This action is in line with the discontinuance of similar patrols throughout the United States and is in accord with a decision that advances in the science of fire fighting by regularly constituted fire departments render such units unessential. National Board records show that in 74 percent of American cities sal-

vage service is a regular part of the activities of the fire departments.

Apparatus and equipment of the patrol will be tendered to the city without cost for use by the fire department. Younger members of the patrol will be given an allowance to assist them in seeking employment, while the older members will be placed on pension.

Texas Reciprocal Insolvent

Texas Fire & Casualty Underwriters, Dallas reciprocal, has made a voluntary statement of insolvency and has been placed under the control of the insurance department conservator.

The statement of Dec. 31, 1940, showed assets \$151,232 and surplus \$21,553. It started business in 1934. Insurance Managers, Inc., was attorney-in-fact.

The application executed by each subscriber allows a maximum of 10 percent of earned premiums as compensation for the attorney-in-fact. Net premiums in

1940 were \$212,000. It is understood that it was under the management of Waco, Tex., men at the time of the statement of insolvency.

Jackson with A. F. Irby & Co.

A. F. Irby & Co., Atlanta general agency, has appointed Henry Jackson as special representative. He has been with F. M. Butt & Co. and the North America for 21 years. He is a native of Atlanta, and has served in that city, Memphis and Dallas.

He has had charge of handling cotton and inland marine business for the F. M. Butt organization. In his new post he will travel for the Irby office without designated territory.

Arkansas Mid-Year Meeting

The mid-year meeting of the Arkansas Association of Insurance Agents will be held at the Marion Hotel, Little Rock, Dec. 9. John W. Ricks, North

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD.

ORIENT INSURANCE COMPANY

LAW UNION & ROCK INSURANCE COMPANY, LTD.

SAFEGUARD INSURANCE COMPANY

ENGLISH AMERICAN UNDERWRITERS AGENCY

STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Dept.)

LONDON & LANCASHIRE INDEMNITY COMPANY OF AMERICA

Eastern Department
20 Trinity St.
Hartford, Connecticut

Pacific Department
332 Pine St.
San Francisco, Cal.

Western Department
223 W. Jackson Blvd.
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For Over Fifty Years Good Friends of Local Agents

COOLING-GRUMME-MUMFORD CO., INC.

General Agents for Indiana—

American Equitable Assurance Company
New York Fire Insurance Company
Standard Surety & Casualty Company
Standard Insurance Company of New York

Indiana Insurance Company
Associated Indemnity Corporation
American Fidelity & Casualty Company
Switzerland General Insurance Company, Ltd.

writing

All lines of Fire, Automobile, Casualty and Inland Marine Insurance
Excellent facilities for coverages on LONG HAUL TRUCKS
Liberal Commissions

AGENTS WANTED IN INDIANA

BROKERS' ACCOUNTS SOLICITED

CONSOLIDATED BLDG., INDIANAPOLIS

British & Mercantile in Arkansas, will supply the answers to questions offered by members in a forum of the "Information Please" type. Members will have the privilege of submitting questions in advance of the meeting. Van Howell, Fayetteville, is president and C. C. Mitchener, Marianna, secretary-manager of the association.

Another Kentucky State Loss

LOUISVILLE—The state of Kentucky, which has taken a number of heavy losses since it elected to carry its own insurance, got another jolt, when the state highway department garage building at Carrollton, Ky., which houses road building equipment and supplies, burned with loss estimated at \$80,000 or more.

Loss on building was estimated at \$20,000, with \$9,000 insurance; stock \$21,000, including a stock of new tires, insured for \$10,890, and new equipment just received, costing \$20,000 to \$25,000, which probably was not covered.

NEWS BRIEFS

Oscar H. West, managing director of the Retail Merchants Association of Virginia, formerly manager of the Virginia Association of Insurance Agents, was married Oct. 31 to Mrs. Catherine Hinton Sawyer of Petersburg, Va. They will make their home in Richmond.

Insurance women of Jacksonville, Fla., elected Ruth Jones as president at their organization meeting. Ruth Marks and Jean McDonald are vice-presidents; Louise Cates, secretary, and Eddie Reddick, treasurer.

Having completed his term of duty in the army, Ben R. Franklin, Jr., special agent for Henry A. Steckler, Inc., is again traveling the Louisiana field.

Jules Simoneaux, secretary of Henry A. Steckler, Inc., general agents, New Orleans, attended the annual meeting and party of the Yazoo Delta Insurance Agents Association at Clarksdale, Miss.

Earl A. Brown, formerly with the underwriting department of Federated Hardware Mutual, has joined Northwestern Mutual Fire as inspector for Texas, Louisiana, Oklahoma and Arkansas, which are served by the southwestern department at Dallas.

A local board has been organized at Wynne, Ark., with M. R. Owen, president; Bertha Dodd, vice-president, and F. O. Cogbill, secretary. Manager C. C. Mitchener of the Arkansas Association of Insurance Agents and L. R. Martin, Pocahontas, former manager, were present at the organization meeting.

W. H. Williams, partner in the Williams & Rosen agency, Little Rock, is beginning his second term as president of the Arkansas Jersey Cattle Club. He is also chairman of the Little Rock Water Commission.

The Dickson Insurance Agency, Heber Springs, Ark., has purchased the Burns Agency, operated the past two years by R. L. Burns.

CANADIAN

America Fore Announces Shifts in Western Canada

TORONTO—Following an extensive business trip to western Canada and British Columbia, W. E. Baldwin, Canadian manager America Fore, announces some important changes in the management of the western offices.

Walter Glazin, western superintendent for 14 years at Winnipeg, is being transferred to the Montreal head office where he will take charge of underwriting for the group from Winnipeg to the coast.

Benton Mackid, now assistant to R. B. Leigh at Vancouver, is to take charge of the Winnipeg office as special agent.

Owen Westgate, for some years special agent in Alberta, is being transferred to Vancouver as assistant to Mr. Leigh

and will also look after the fire interests of the group in Alberta.

Brochure Explains New Plan

TORONTO — The Ontario Fire & Casualty Agents Association and the Toronto Insurance Conference have issued a brochure to agents outlining the proposal to establish a qualified agents' section. "The movement in its initial stages will be directed solely to the qualification of members of the two associations," it is stated. "The wisdom of this is obvious, as qualification of self gives a certain right to expect others to undergo a similar test. The extension of the scheme to other agents and to new agents is a matter of development, as is also the conferring of degrees and the attainment of a professional status for the insurance agency business."

MARINE

Chicago Marine Men Hear Cartage Thefts Discussed

Some of the experiences of the cartage theft detail of the Chicago police department were told by Sgt. Phelan at a luncheon meeting of the Mariners, organization of Chicago marine underwriters.

The cartage detail now has five squad cars, each with two men, and their work is so staggered that one car is on the street at all times, Sgt. Phelan said. On holidays a night detail is used to guard shipments of furs and other valuable cargoes.

Larcenies Increase

While hijackings in Chicago declined from 84 in 1935 to three in 1940, larcenies from trucks have increased from 75 in 1934 to 255 in 1940. One of the causes for this is careless handling. Thieves spot trucks at terminals and follow them until the opportunity presents itself to break into the truck and remove merchandise. Continuous application of care all along the line would help, he said. The Association of Commerce in Chicago has published a map giving preferential routes for trucks in and out of the city, and use of these would be beneficial, he said.

The Mariners will hold a dinner meeting Dec. 1. Roy Urbauer, Fidelity & Guaranty Fire, has arranged for the showing of a group of short movies on sports. The meeting will be an open one to which marine men may bring their friends.

J. R. Rogers, Jr., Gives Clear Definitions

J. R. Rogers, Jr., of Chubb & Son, at the convention of the Ohio Association of Insurance Agents, gave two definitions that appealed to his audience.

"By inland marine insurance is meant any form of insurance coming under the marine section of a given state law but excepting ocean hulls and cargo, yacht insurance, protection and indemnity insurance and usually excepting lake, canal and river cargo and/or hull insurance."



was his definition of inland marine insurance.

All-risk insurance covers "all risks of, or damage to the property insured, but excluding the risks of war (as defined by the policy) and excluding loss or damage caused by or arising from ordinary wear and tear, gradual deterioration, inherent vice and any loss or damage sustained due to and resulting from any repairing, restoration, retouching, or similar process."

MOTOR

Premiums Are Shrinking Under Dealers Policies

Due to the fact that inventories are so low, the earned premium being developed each month under dealers automobile policies is shrinking substantially. This is causing the underwriters some concern and some companies that have been charging less than conference rates are reported to be demanding a higher tariff. The fear is that the premium will reach such a low point that one or two bad losses may come along that will give a bad loss ratio. Of course, there is the cheerful consideration that the exposures are lower and that the losses will not be as severe as they were when inventories were high

and the earned premiums were correspondingly high. The moral hazard element is believed to be practically nonexistent today, as the dealer has no difficulty in disposing of his stock.

Symbol Pages Distributed

NEW YORK—Pages containing the symbols assigned the 1942 car models have now been supplied by the National Automobile Underwriters Association to member companies in such form as to make easy their inclusion in the rate manual. The symbols, together with the advertised factory prices affecting all car makes, were bulletined three weeks ago in advance of printing the manual inserts.

Brokers Plead Guilty

LOS ANGELES — David Firestone and Leon Meyers of Firestone & Meyers Co., insurance brokers, pleaded guilty in the Los Angeles superior court to a single count of grand theft. They asked for probation and the court set Nov. 14 as the date for hearing.

The count on which they pleaded guilty was the first of six counts in a grand jury indictment. It was charged that the defendants took unlawfully \$929 from Newhouse & Sayre and \$3,011 from Pacific Employers. After the trial started the defendants withdrew their plea of not guilty and were permitted to enter a plea of guilty on the first count.

**"CHECK IN AT
DEWITT OPERATED
HOTELS"**

**DEWITT
OPERATED
HOTELS**

In Cleveland
HOTEL HOLLENDEN

In Columbus
THE NEIL HOUSE

In Akron
THE MAYFLOWER

In Lancaster, O.
HOTEL LANCASTER

In Corning, N. Y.
BARON STEUBEN HOTEL

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The Bellevue, "One of the few famous Hotels in America"

Announces...

FOR THE WINTER SEASON

... hundreds of rooms and baths modernized... a beautiful, new, completely air-conditioned Coffee Shop—seating 400, open from early breakfast to late supper, featuring finest food, modern service at really popular prices. Other air-conditioned restaurants. Unsurpassed facilities for comfort and the enjoyment of true Philadelphia hospitality. Reasonable rates.

BELLEVUE-STRATFORD
IN PHILADELPHIA

CLAUDE H. BENNETT, General Manager



Mutual Company Groups in Convention at Los Angeles

(CONTINUED FROM PAGE 5)

still lack adequate safety funds according to this standard.

Safety funds should not be more than adequate to insure prompt payment of losses and obviate the need for a sudden and discouraging increase in the annual assessment rate, he said. The average farm mutual secretary is rarely an experienced investment banker and should not have added to his problems that of managing a needlessly large investment in interest accounts, he said. Such a fund might even cause active rivalry for control of the company's assets with resulting dissention and inefficiency in the conduct of the company's primary business and losses are likely to increase under such circumstances.

In 1938 the agricultural conservation committee of Indiana placed 11,157 government insurance contracts on the 1939 crop, according to Maurice Douglas, member of that committee. Its loss ratio was 105.1 percent. The administrative expense is not included in the ratio of losses by the government.

In the fall of 1939 the committee wrote 28,375 contracts covering the 1940 crop, and losses were 44.2 percent. In 1940 writings were 35,506 contracts with approximately an 8 percent loss ratio. Contracts on the 1942 crop are approximately 38,000.

R. M. Stanton, chairman of mutual companies' fire prevention contest for rural youth announced selection of Marjorie Dierdorf, 21, Clay City, Ind., and Howard Drewitz, 18, Merrill, Wis., as the winners. Both were at Los Angeles as guests of the association.

The Square Deal of Des Moines had a net gain in hail writings in Iowa this year of 33.9 percent, but it experienced a loss claim for every five policies in force in the state, C. F. Morgan, president of the company said. Other companies reported similar experience in Iowa, and losses were heavy in Nebraska and Minnesota. The experience was more favorable in Wisconsin, Missouri, Illinois, and Ohio, with Illinois having a very good loss ratio.

Hail insurance, which is younger than fire, tornado and some other forms, is becoming more popular each year and is being written on a more substantial basis.

Henry F. Gross, secretary Iowa Mutual Tornado Insurance Association, outlined "The Farmers' Place in National Defense." De Loss Walker, Chicago, discussed "The Dangers from Within" during the present emergency. A review of the work of the U. S. Chamber of Commerce was presented by W. E. Straub, Farmers Mutual, Lincoln, Neb., who is the mutual companies' national councillor to the chamber.

Two Factors Against Companies

Two elements now exist to the detriment of the automotive casualty company clients of a defense attorney, L. B. Gallagher, Los Angeles attorney, said. The attorney upon whom will rest the ultimate burden of obtaining a favorable decision is not employed soon enough, and the companies have not taken advantage of modern methods in obtaining statements of assured or witnesses. He strongly advised the initial investigator know what is required in the way of actual information before his first contact with the witness. It is extremely

difficult to obtain a second statement after a consultation with the attorney in the case, he said.

Joseph L. Fainer, Los Angeles attorney, said that the viewpoint of the accident victim toward the casualty companies is not a favorable one. In some cases this attitude is unjust, he said, but at the same time he made a strong plea for fair and honest treatment by the companies of losses and claims. Because the insurance business is quasi-public in character, such treatment would make for greatly improved public relations.

Deplores Lack of Unity

A lack of unity on the part of the American people in pursuing the aim of defense was deplored by Col. Halsey E. Yates of the U. S. army. He suggested it may be time to absolutely prohibit strikes.

In the opinion of J. J. Fitzgerald, president Grain Dealers National Fire, Indianapolis, there will be a great outcropping of sabotage by fire and otherwise, the moment relations are broken with axis powers.

Record Attendance Marks Mass. Agents Convention

(CONTINUED FROM PAGE 30)

what groups he wanted to reach and then to fit the method to each group.

Mr. Van Beynum said criticism of insurance business was centered on prices and selling methods. He believes the agents are more effective in defending reasonable rates before the public and that the companies are more effective in promoting the idea that the agents are doing a good job. That is, each can do the best work by telling of the merits of the other. Speaking directly on a suggestion of Mr. McGaw that agents should be the spearhead of an attack to bring rapid results for buyers, Mr. Van Beynum said while Mr. McGaw had decried friction among insurance groups, one of his remedies evidently promoted more friction there.

The executive committee of the association has under consideration the question of the value to the public of the personal property floater, F. R. A. McGlynn, retiring president, said in his report, having in mind many important factors bearing upon the possible adoption of a comprehensive householder policy. A special committee is giving consideration to this subject. This committee will consult with the insurance commissioner and will endeavor to learn the attitude of the public, the companies and Massachusetts agents before submitting a report, he said.

Competing With Direct Writers

Mr. Oppenheimer, speaking on direct writing competition, advised agents not to be frightened by some of the claims of the direct writers. It is not at all impossible to show that the net cost of such insurers is not lower, if the agent studies assured's business intelligently. The loss ratio of mutual casualty and fire companies doesn't bear out their claim of "selectivity," he said. Direct writers often list customers in their advertising. A check will often reveal that only a small proportion of the business of a firm so listed is insured in the direct writing company. "Scouting the other team" will often lead to victory, Mr. Oppenheimer concluded.

E. A. Kirschner, General Securities

Convention Dates

Nov. 6-7, Illinois Agents, Peoria, Pere Marquette Hotel.

Nov. 10-12, California Agents, Sacramento, Hotel Senator.

Nov. 14, Casualty Actuarial Society, New York, Hotel Biltmore.

Nov. 14, Casualty Actuarial Society, New York City, Hotel Biltmore.

Nov. 14-15, Oklahoma agents midyear meeting, Youngblood Hotel, Enid.

Nov. 18-19, Georgia Agents, mid-year, Macon.

Nov. 22-25, Southeastern Underwriters Association, mid-year meeting, Pinehurst, N. C., Carolina Hotel.

Dec. 4, Insurance Advertising Conference, New York City, Waldorf-Astoria.

Dec. 8-10, National Association of Insurance Commissioners, mid-winter meeting, New York, Hotel Pennsylvania.

Dec. 9, Arkansas agents mid-year meeting, Little Rock, Marion Hotel.

Dec. 9-10, Insurance Section American Management Association, Cleveland, Statler Hotel.

Corp., Boston, described briefly the General Securities plan by which agents may finance both automobile purchase and premium payments. He said that 280,000 insurance policies in Massachusetts now did not go to insurance agents and that the plan presented offered a 5 percent instead of a 6 percent finance charge, and also permitted the local agent to decide the credit responsibility of the automobile buyer.

Speakers at the banquet were Jerome Van Wiseman, director of publications of the National Association, who repeated the talk on the V plan which he gave before the National association in Kansas City, and Dr. Hugh P. Baker, president Massachusetts State College.

The Springfield Fire & Marine was host to the convention attendants at the Thursday noon luncheon.

Local Board Breakfast

Forty-three attended the local board breakfast and discussions Thursday morning at which C. Conrad Parker, Ingraham, Parker & McPherson, Worcester, presided. The chief item of discussion was the handling of municipal insurance. The breakfast conference will be held again next year.

Ralph A. Cartwright, special agent Hartford Fire, spoke on the value of the special agent to an agency. Edwin J. Cole, national councillor, in his report reviewed the difficulties of getting effective operation of the national councillor plan in the Eastern Underwriters Association territory where there were seven rating bureau jurisdictions to be dealt with instead of one.

The Massachusetts Association of Insurance Women held a short meeting in Springfield at the time of the agents' meeting. Mrs. Dora A. Frostholt, Smiley-Kingsbury Agency, Worcester, president, presided. Plans are being made for meetings during 1942 and the schedule will be announced shortly. Secretary of the Massachusetts association is Florence J. Connon. E. C. Clark & Co. agency, Holyoke. The organization has 285 members, an increase of 65 since the last meeting. Publication of a bulletin called "The Scoop" will be started soon.

The newly organized Insurance Women of Maryland will meet Nov. 12 in Baltimore. Organization plans started at the first meeting last month will be completed.

Read *Manufacturer & Insurance* by L. S. Myers to increase your sales. Send \$3 for copy to National Underwriter.

Not Mechanized

"In these days of mechanization it is a pleasure to do business with a company that is made up of real human beings," wrote an agent recently.

Modestly, we may confirm this agent's observation. We are not a machine. We have no formulas or form letters to meet every situation. We are underwriters, not overriders and our philosophy of life admits that we do not know *all* the answers.

Our officers are constantly in touch with our large and loyal group of agents—all incoming and outgoing mail clears across the desk of at least one of our three (count 'em) Vice Presidents.

Agents appreciate this friendly, helpful, personal interest in their problems and have shown their appreciation by awarding us the honor of being the Leading Independent American Capital Stock Company without group or fleet connections or subsidiaries.



CAMDEN FIRE INSURANCE ASSOCIATION

Camden, N. J.

A Century Old American Capital Stock Company

1841
100th ANNIVERSARY
1941

THE NORTHERN ASSURANCE CO. LTD.

A Progressive Company for Progressive Agents
FIRE and ALLIED LINES - AUTOMOBILE - INLAND MARINE

CHICAGO

NEW YORK

SAN FRANCISCO



Better License Law Arizona Agents' Aim

(CONTINUED FROM PAGE 3)

commission of Arizona to stop licensing obviously unqualified agents. He suggested a temporary license to take care of the beginner working under a qualified agent during his first year or so and after that automatic requirement to submit to an examination which would really have these qualifications. This is a matter which should be pressed with the corporation commission.

While the association has only 74 members, these agents write 90 percent of the business in Arizona, Mr. Wilson believes.

What Insured Expects of Agent

In addition to lengthy discussion of the licensing law problem by the executive committee, several speakers on the program touched upon the same subject. George W. Chambers, business manager of Tucson Newspapers, Inc., speaking on "What I Expect of My Insurance Agent," offered much constructive criticism of the insurance business. Mr. Chambers stated that one of the particular problems of the insurance customer is the "me, too" agent. He said he believed that if there were not so many agents, "the insurance business would become more firmly established as the high profession it is. The policy salesman would become an insurance counsellor, and his place in the community would be measured by his service rather than by the number of policies by which he gained a little gold button from the home office." He predicted that if there were fewer agents, by virtue of more strict qualification requirements, insurance rates would seek a lower level and volume would increase. He said the buyer of insurance would feel that he was in more competent hands, would know more about what his insurance program really is and would save himself a great deal of time which he now has to spend trying to satisfy the incompetent "me, too" agents, who are after a slice of the business that someone else has already arranged for the assured.

Menn Speaks at Closed Session

In a brief talk at the closed session William H. Menn, former president and official representative of the National association, also urged that the agents seek to strengthen the licensing law. He said this is one of the major problems in all states and can only be met by vigorous action on the part of the agents themselves.

Mr. Menn also decried the practice of agents throughout the nation accepting a reduction in commission in order to get business. "This practice, if not stopped," Mr. Menn said, "will eventually wreck the business."

Mr. Menn, whose help has been extremely important in fostering the growth of the Arizona association, also touched on graded expenses and commissions. He reported that the National association is continuing exploration of the graded expenses and commissions problem and has decided more expert advice is needed.

At the meeting of the executive committee Friday morning, members of the Arizona corporation commission and Insurance Director Rummage held a lengthy conference with association representatives. At this conference it was determined that the most practical method of obtaining more stringent licensing requirements would be through amendment of the present law. An agreement was obtained from the commission representatives and the director of insurance to cooperate fully with the association in seeking this change at the next legislature.

Breckon Tells B. D. O. Plans

There were 56 agents and 92 company representatives in attendance at the meeting, which was the first two-day convention held by the association. The opening session Friday afternoon was a closed meeting for agents only, at which committee reports were heard and business matters considered. At the same

time, company representatives held an informal meeting at which John T. Breckon, assistant director of the Business Development Office, San Francisco, outlined a program for the development by field men of panel discussions and short talks on various phases of the insurance business which could be produced before small meetings of groups of local agents. It was decided at this meeting to put such a plan into operation in Arizona, and when Mr. Breckon outlined the plan before the open session of the convention on Saturday, association members requested that Mr. Breckon return to Arizona early in January to assist in the inauguration of panel discussion groups in Phoenix and Tucson.

George E. Allen Speaks

The economic and political purposes of men are occasionally at variance, and one of those times is the present emergency, George E. Allen, vice-president Home of New York, said. Insurance people, interested in peaceful progress and economic prosperity for all watch the world conflict with growing misgivings. Vast wealth and human ability are being consumed in the present campaign of destructiveness, he said. However, one example of a growing harmony between business and government is the cooperation of insurance men in organizing a committee for the protection of industrial plants to meet the threat of destruction to productive facilities by sabotage and other factors. His talk was broadcast over a statewide radio hookup.

S. R. Aitken, district manager Stock Company Association, San Francisco, talked on its purpose and procedure.

A dinner dance, following a cocktail party given by the companies, was held Friday evening, and most of those present at the convention attended the Arizona-Texas Mines football game Saturday evening.

Fire Safety Vital to Future Aviation

(CONTINUED FROM PAGE 4)

to the nation, all important hangars and other airport buildings should be equipped with automatic sprinklers, he said. Unfortunately, hangar properties do not lend themselves readily to an expensive sprinkler installation, particularly with respect to water supplies. The very nature of airport operations usually require that ports be located in sparsely settled areas on the outskirts of cities where the water supply is inadequate.

Open Head Sprinklers Best

The thermostatically controlled open head or deluge sprinkler system is the most desirable type, for it is very fast in operation and through its use large predetermined areas may be drenched with water. The objection is that the installation of this type of sprinkler is costly as is the maintenance. Next in order of preference is the wet pipe sprinkler system and in the case of hangars of large area, wet pipe systems reinforced with thermostatically controlled open head water curtains. Wet pipe systems are less costly than thermostatically controlled system, their water supply requirements are not as large and maintenance costs are very low. Being a fixed temperature system they will not operate quickly, due to the high hangar ceiling, in the presence of a slow or small fire. Both the wet pipe system and the dry pipe system may, however, be expected to operate quickly in the case of a fast, large, hot fire as would be expected to result if spilled gasoline became ignited.

The dry pipe system should not be employed except for economic reasons and where by reason of temperature conditions the use of a wet pipe system is



At Kansas City parley of N. A. I. A.: L. C. Hilgemann, Milwaukee; J. W. Hiebert, Coffeyville, Kan.; Walter H. Bennett, general counsel National association; E. W. Sawyer, attorney National Bureau of Casualty & Surety Underwriters.

out of the question. The dry pipe systems are less effective than the wet pipe systems and they are more expensive. They operate somewhat less quickly and are not so easily maintained.

Even more important than the matter of sprinklers themselves is the matter of water supply, he said. Gravity tanks, though very reliable, present a distinct flying hazard which would usually require that they be located at a considerable distance from the port, thereby increasing their already considerable cost. A fire pump, together with its prime mover and control, is a very reliable device and has given an excellent account of itself, but pumping equipment and storage reservoirs are costly and adequate and reliable power facilities are not always available. Internal combustion engines are seldom used as the primary source of power for driving fire pumps, though they make excellent standbys when duplicate sources are deemed necessary or when the commercial electrical source is not reliable.

Buildings Should be Separated

Hangars and other airport buildings should not be placed so close as to permit fire in one building to jeopardize

adjacent buildings. Where it is impractical to separate the buildings by adequate space, approved exposure protection should be installed in the facing walls of the buildings.

Airport property should be under effective and constant supervision at all times with watchmen of the best type constantly on patrol. One feature that cannot be overemphasized, Mr. Quackenboss said, is the training and drilling of airport personnel in fire defense. They should not only be taught the use of the several types of chemical extinguishers, but they should be taught their use by actual demonstration under the direction of experts. Regular airport employees should be assigned definite duties in the event of fire and thoroughly drilled in the execution of them.

Brown to Johnson & Higgins

Windsor A. Brown, Jr., who left the Marine Office of America recently, has joined the marine department of Johnson & Higgins in Seattle. He will assist John F. Snapp, who also joined Johnson & Higgins recently. Mr. Brown was with the Marine Office of America five years, first in the east and later in the Pacific Northwest.

When You Talk...

of protection to your prospects and clients . . . can you assure them of coast-to-coast service—that the policies they buy embrace features fashioned to meet the fast pace of modern trends—that any claims which might arise receive prompt, friendly consideration?

Are you sure that your aggressiveness is not arrested by old-fashioned limitations and stipulations?

When you talk Trinity Universal you have freedom of speech . . . assurance of Home Office helpfulness that encourages aggressiveness!

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INSURANCE COMPANY
CAPITAL \$1,000,000
Edward T. Harrison, President

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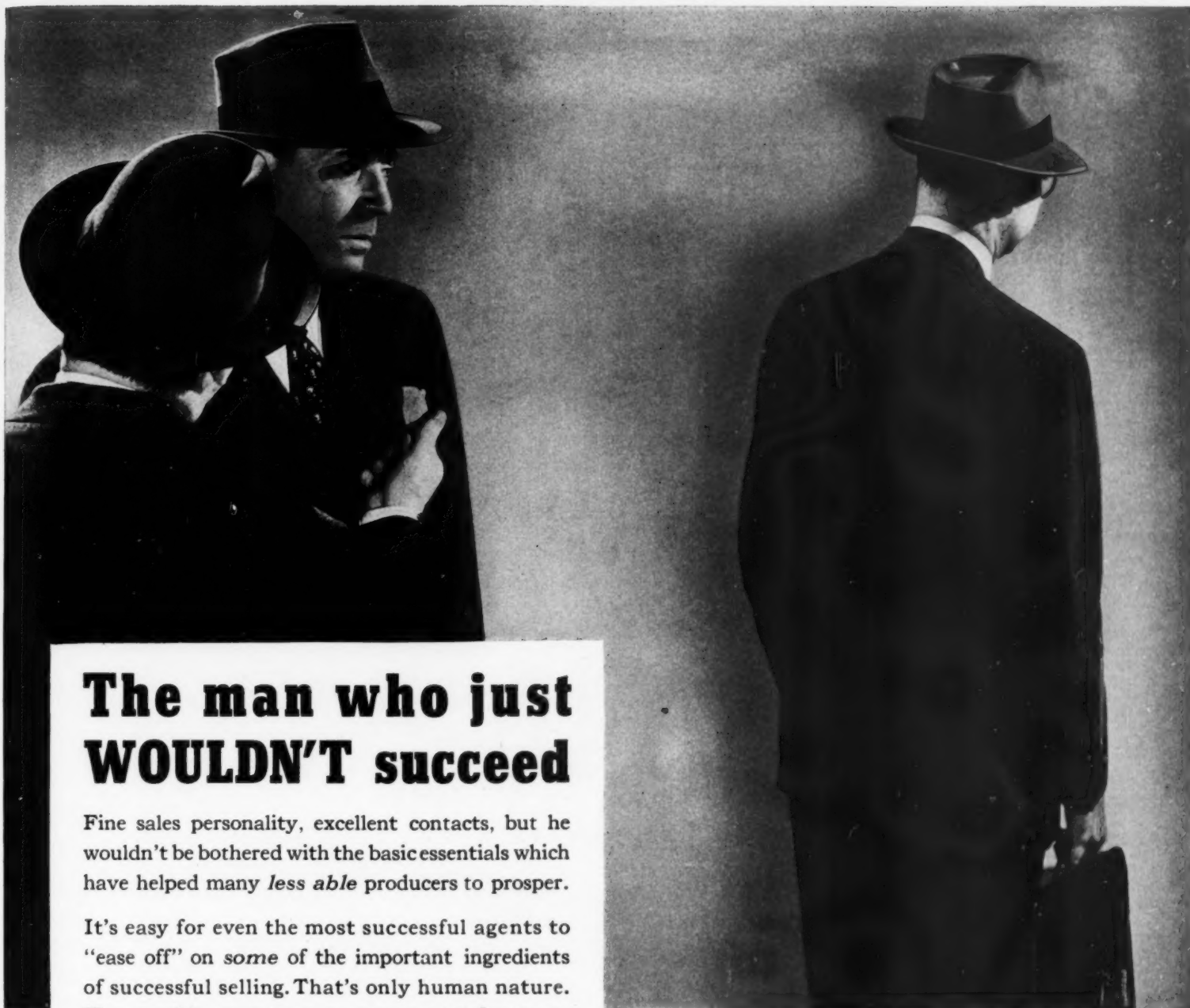
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The man who just WOULDN'T succeed

Fine sales personality, excellent contacts, but he wouldn't be bothered with the basic essentials which have helped many *less able* producers to prosper.

It's easy for even the most successful agents to "ease off" on *some* of the important ingredients of successful selling. That's only human nature. How would you rate your own agency, for example, on these five points:

- ① Simple, effective, complete accounting methods
- ② Adequate, up-to-date prospect *not* suspect files
- ③ A working sales promotion plan to attract new business
- ④ A definite call schedule for increasing premiums from present insureds
- ⑤ A day-by-day working sales plan, taken seriously



If you feel that a little brushing up on some of these essentials might be helpful, why not see what your National Fire Group Counselor has to offer on the subject? It's his job to keep posted on the latest wrinkles in agency salesmanship, accounting and management. He spends his days talking to agents, finding out what works, what doesn't, and why. Chances are he could help you. He'd certainly like to try.

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